Canada and the World Silver Problem—Page 10

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THE FINANCIAL POST

Canadian Mining
News Department
Page 19

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Should Canada Abandon Empire Preferences?
Give Lead to Britain
Manitoba Pool Grants Freedom in Selling

A ONE-SIDED ARRANGEMENT

IT SEEMS obvious that one of the chief purposes of the mission of Sir James Lithgow, president of the Federation of British Industries, to Canada is to forestall the effect of possible failure of the adjourned Imperial Conference to be held in Ottawa in the late summer or autumn. Irresistible forces may be working for fiscal change in Britain but these forces are not recognized by the present British government. Without fiscal change there cannot be reciprocity by Britain in Imperial preference. The substitutes that the British will bring to Ottawa are unlikely to arouse much enthusiasm, even the proposed quota on wheat.

British business men are frankly fearful that if the Ottawa conference fails to make definite progress in the direction of reciprocal Empire preferences that the Dominions will seriously consider withdrawing the British preferences now granted to Britain and never adequately responded to in the fiscal policies of the senior British nation.

British industry now recognizes more than ever its dependence upon the Empire; it is ready to admit that the existing preferences are valuable, not only as they stand, but as a foundation upon which to build an enlarged system of Empire customs rapprochement. They want Canada and the other Dominions to refrain from withdrawing these preferences. They are frankly asking another chance to frame public opinion in Great Britain for a more adequate response. "You've waited a third of a century for your answer; don't be impatient; wait another two or three years and you will get it," is the burden of British industrialists' refrain today.

* * *

THAT is the attitude of British industry. Canadians might well take the stand that steps taken by Canada to reduce the scale of preferences would speed up reciprocal tariff arrangements, and thus actually encourage inter-Imperial trade. The treaty that South Africa signed with Germany had a greater influence in Great Britain, in waking up British people to the necessity for action, than any friendly gesture by the South African government could ever have had. For Canada to indicate that our preferences must be reduced or even ended if Great Britain does not reply in kind would bring the whole discussion to a business basis.

The British preferences granted by Canada have been a distinct handicap to the working out of reciprocal arrangements between this country and Great Britain. If Canada had no Imperial preference today it would be easier to arrange a treaty with Great Britain than it is at the present time when we grant tariff favors and get practically none in return.

* * *

IN THE long run a satisfactory and binding preferential arrangement between Great Britain and Canada can only be erected on a plan satisfactory to both parties. The present one-way preferences are not satisfactory to Canada. A bi-lateral agreement alone can endure. In such a bi-lateral agreement all due allowance must be made for whatever preferences are already granted by Canada and also for the small preferences granted by the United Kingdom. Britain must first match Canada's preference and then negotiations for further preferences can be considered. For Canada to reduce or abolish its present Imperial preference would make this clear. There would be nothing unfriendly or defiant in such a stand; it would be essential to any enduring arrangement.

* * *

IF MR. BENNETT were to make it plain, either in his budget speech or at the Imperial Conference, that Canada is determined to abandon the policy of one-sided Imperial preferences, the effect would be to give the cause of inter-Empire trade development a distinct stimulus. A third of a century of such preferences has brought practically nothing in the form of Imperial integration. Any good business man knows why. No one-sided contract ever stimulated business. Mutually satisfactory contracts are the basis of expanding trade.

* * *

TO RELEASE POOL FARMERS

MEMBERS of the Manitoba wheat pool, according to an announcement made by its directors, are to be released, on June 1, from obligation to have their grain pooled. So far the pools in Saskatchewan and Alberta deny any similar intention, although in Alberta the pooling of coarse grains was abandoned last year and is not to be resumed.

Last August The Financial Post advocated that pool members, who desired it, should be relieved from their pooling contracts, on the ground that thousands of farmers were unable to finance satisfactorily on the system of limited initial payments which is an essential part of the pool. For that suggestion, this paper was criticized and abused by the pools, on the platform, over the radio and in pool organs; The Post was accused of advocating the breaking of contracts, and of hostility to farm organization. In addition, the pools declared that they were legally unable to bring about the modification or abrogation of the contracts which bound members to pool their grain. Had the pools been

(Continued on page 2, col. 5)

NEWEST LOAN FORWARD STEP IN REFUNDING

Government Deals With Major Problems Several Years Ahead

ADVANTAGE TO ALL

Individual Holder Loses No Interest, While Renewal Later Might be at Lower Rate

The new Dominion of Canada conversion loan of 4½ per cent bonds due in from 15 to 25 years, while officially limited to $250,000,000, is a first step in the direction of converting a total of $1,082,000,000 of 5 and 5½ per cent bonds due from now to November 1, 1934. It will mark, except for about $325,000,000 of 5 per cent and 5½ per cent bonds due in 1937, a final clearing up of funded indebtedness issued during the war at the extraordinarily high rates then necessary and a substitution therefor of securities bearing interest rates from .5 to 1 per cent lower.

The issues to be included in the current conversion are as follows:

Bonds to be Converted

$ 52000,000 5%'s, due October 1, 1931.
73,000,000 5½%'s, due Novembr 1, 1932.
446,000,000 5½%'s, due November 1, 1933.
511,000,000 5½%'s, due November 1, 1934.

New Conversion Bonds

$52,000,000 4½'s, taxable, due May 1, 1956, redeemable on 60 days' notice at 100 and interest on May 1, 1946 or thereafter, one coupon due Oct. 1, 1931, being at rate of 5 per cent and tax free.

$73,000,000, 4½'s, due May 1, 1957, redeemable on May 1, 1947, or thereafter, on 60 days' notice at 100 and interest, three interest payments being at the rate of 5½ per cent.

$446,000,000 4½'s, due May 1, 1958, redeemable at 60 days' notice on May 1, 1948, or thereafter, five interest payments being at the rate of 5½ per cent tax-exempt, and the 4½ per cent rate thereafter to be taxable.

$511,000,000 4½'s, due May 1, 1959, redeemable at 100 and interest to May 1, 1949, or later on 60 days' notice, seven interest payments to be at the 5½ per cent rate.

The Dominion of Canada had a total gross funded debt in 1930 of $2,284,299,703 and a net funded debt of $2,228,128,629. The gross total payable in Canada is $1,825,408,245 and the net total payable in Canada is $1,823,839,935. When it is realized that all sums accruing from war loan flotations since 1914 exceeded $2,375,000,000, it becomes evident that in the decade following the war and

(Continued on page 8)

New Conversion Loan From Various Angles

Numerous articles dealing with the new Dominion of Canada conversion loan will be found in this issue of The Financial Post. For the convenience of investors these articles are here indexed:

The Woman Investor in War Bonds	9
The Effect on Business	7
Rôle of the Banks	14
U. S. Life Insurance Companies Affected	15
How to Figure Yield	11
Probable Interest Trend	11
How War Loans Were Floated	17
Profit Margins Slim	17
Government Issue Dominates Bond Market	5

Warning to Residents Of British Columbia

Information has just been received that a man, giving the name of White, has victimized a merchant in Chemainus, B.C., Vancouver Island. White fraudulently claimed to represent The Financial Post and offered one hundred calendars gratis with a subscription to The Financial Post for two years at a price of $4.85 instead of $10, the correct price for 2 years.

For public information the price of The Financial Post is never cut and no premiums have ever been given. All The Financial Post circulation salesmen carry duly signed credentials and official receipt forms.

Citizens of B. C. are warned of the activities of this impostor and are requested to wire The Financial Post collect, if they learn of his whereabouts, so that proper action can be taken at once.

Packers Enter British Market If Hogs Cheap

Many shareholders of Burns & Co., Canada Packers, and of other packing companies, have hoped that the recent visit of representatives of powerful British co-operatives to Canada might mean the entrance once more on a good scale of Canada into the export market, particularly with reference to hogs and hog products.

Those who have given a good deal of thought to the question, however, point out that packers will have to enter such a market very carefully and not to make large commitments until the actual condition of affairs in the fall is known. The price of hogs has been above the world level in Canada for many years, a fact which deprived Canada of the British market for bacon and other products. To get into the British market packers will have to pay as low as 7, 6 or possibly 5 cents a pound for hogs, and there is no assurance that competitors in Denmark, Russia and other countries will not bring their hogs lower still in order to preserve their present advantage in the British market.

Russia is not much of a factor at present, but the Soviet authorities have imported a number of authorities on swine to teach the Russians modern methods of swine breeding and feeding and care. Russians intend to get into the market sooner or later and intensive drives have been made to induce Russians to pay more attention to hogs.

Canadian packers expected hogs to be cheap enough last fall to allow them to get into the foreign market. They were disappointed. The attention given by Canadian farmers to growing hogs in 1930 and 1931 leads them to expect that in the coming autumn more hogs will be available and prices will be better. They cannot tell this before the event. The visit of the representatives of British co-operatives is welcomed, and an exchange of information will be useful on both sides. Canadian packers are anything but indifferent to possibilities in Great Britain, but price in Canada will be an all-important factor.

Howard Smith Preferred Dividend up for Decision

From Our Own Correspondent

MONTREAL.—Directors of Howard Smith Paper Mills Ltd. meet this week for dividend action on the 6 per cent cumulative preferred stock, of which there is $4,500,000 outstanding. The current selling price of the stock—about 45—indicates doubt as to the continuance of dividend payments, the yield at that point being over 13 per cent.

During the past year Howard Smith Paper Mills reported a net profit, before providing for income tax, available for dividends of $303,034. This compared with preferred stock dividend needs of $270,000, leaving a surplus of $33,934.

The statement did not take into consideration an amount of $43,750, which the auditors say appears to be due to St. Maurice Valley Corp. under the agreement between that company and Howard Smith in respect to the lease of Canada Paper Co.'s property. Had this item been taken into consideration, there would have been a small deficit after paying the dividend.

Though no official statement has been issued in regard to Howard Smith's current operation, it is generally understood that activities in all branches of the paper industry have not been overly prosperous since the beginning of the year.

Stock Market Depressed By Dividend Reductions

One of the most difficult obstacles to active stock markets at the prestime is the general expectation that many companies will show reduced earnings in 1931 as compared with 1930. The reduction in the C. P. R. dividend, temporarily at least, to half the usual rate, the general expectation that low base metal prices will bring the revenue of Consolidated Smelters lower and the absence of definite improvement in agricultural purchasing power are three factors which delay improvement of stock market sentiment.

Conflicting testimony as to what is wrong with the world has also its effect. One man says the value of silver must be restored before the world can get back to prosperity, another that tariffs must disappear, another that tariffs must be made stronger than ever and still another that certain central banks must change their policy. One attributes the ills of the world to mal-distribution of gold and all of these subjects which two years ago worried only a few are now talked about constantly by the many who still frequent brokers' board-rooms.

Some Companies Stem Stream

A sign of the times is that estimates of 1931 earnings of companies are generally pitched lower than for 1930. These estimates are provisional and may be changed by events, but they show the prevailing market sentiment. Traders expect C. P. R., which earned $2.49 on the new stock in 1930, to earn about $1.70 in 1931, Dominion Bridge to earn about $3.50 as against $3.86, Dominion Stores to earn $2 as compared with $1.91 in 1930, Hiram Walker-Gooderham & Worts to earn about 75 cents as compared with $1.04 in 1930, International Nickel to earn about 40 cents a share as against 67 cents in 1930. Montreal Light, Heat & Power to earn $2.25 as against $2.19 in 1930, Noranda to earn about $1.50 as compared with $1.72, Shawinigan to earn about $2.75 as against $2.65, Steel Co. of Canada to earn nearly $2.50 as against $2.89 in 1930 and Teck-Hughes 70 cents a share against 63 cents in 1930. It will be noted that not all of these are reductions.

In that list the only increases are in Dominion Stores, Montreal Power, Shawinigan and Teck-Hughes. Other gold stocks may also do better, expectations for Loblaw's are high, and the splendid showing of De Forest Crosely will make interest keen throughout the coming year in results attained in its new refrigerator and electric clock lines as well as in

(Continued on page 2, col. 4)

FALLING VALUE OF BRAZILIAN HITS MARKET

Brazil Government Acts Strenuously to Save Milreis and Coffee

BALANCES BUDGET

International Coffee Cartel Will Be Proposed on May 15 — Automatic Adjustments in Earnings

Brazilian Traction Light & Power Co. common stock, in dropping back to 15½ on Canadian stock exchanges, is still selling for more than three times the lowest equivalent market valuation in 1921 when the dividend had been dropped for four years on account of fluctuations in the exchange value of the milreis. That lowest point was 20 for the old stock which was split four for one in 1928, and the situation is similar to the present in that earnings of the company in both periods would have been adequate for dividends if the unstable milreis had not stood in the way. The company has the advantage that in the meantime its financial strength and its earnings have grown enormously.

Unsettlement in Canadian stock markets with regard to this favorite stock is all the greater because the business situation in Brazil at this distance apparently shows no improvement, and such business improvement, it is thought, will be linked up with definite improvement in the exchange value of the milreis. In London last week there was apparently an increase in speculative favor toward Brazilian Traction common stock but the buying from that quarter did not sustain quotations long.

Proposes International Cartel

A good deal has been heard in the last week of the possibility that Brazil will decide on an attempt to stabilize the milreis around 7 cents. It is argued that this would be the easiest way out for the government as the exchange rate has already gone down to 6.60 cents and at this figure it may prove easier to get a favorable balance of trade than if the milreis were laboriously lifted to 11 cents again.

Whatever success may come of the present measures, the government is also tackling its coffee problems in a determined way. The proposal to tax coffee exports ten shillings a bag and to apply the money thus received in buying and burning inferior grades from interior elevators would have the objection that any increase in price would encourage further planting of coffee in outside countries as the earlier "orderly marketing" policy of Brazil did, and that the last state of the industry would be worse than the first.

The Brazilian Government, however, has called a conference of all the important world growers of coffee with the object of establishing by agreement an international world cartel which will limit acreage in each country devoted to coffee until such period as coffee is once more being sold at prices which permit a return to the grower above expenses.

Brazil Has Natural Advantages

Brazil's former attempts to influence prices of coffee in world markets has built up important competition. In the first ten years of this century Brazil supplied on the average 77.2 per cent of the world's coffee needs and other countries growing the so-called "mild" coffees grew the remaining 22.8 per cent. By storing surpluses in good crop years good prices were obtained which encouraged large plantings both in Brazil and in outside countries.

In the years 1925 and 1930, however, Brazil supplied 65.4 per cent of the world's consumption needs and other lands 34.6 per cent with "mild" coffee. The proposals for an international cartel on coffee have,

(Continued on page 2, col. 6)

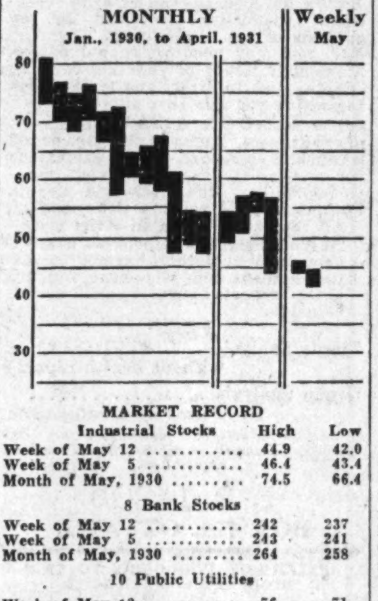
Employers Liability Assurance

An item of $15,582,495 in the balance sheet of Employers Liability Assurance Co., published as an advertisement in The Financial Post last week was designated in error as "reserve for outstanding loans."

It should have read "reserve for outstanding losses."

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of May 12	44.9	42.0
Week of May 5	46.4	43.4
Month of May, 1930	74.5	66.4
8 Bank Stocks		
Week of May 12	242	237
Week of May 5	243	241
Month of May, 1930	264	258
10 Public Utilities		
Week of May 12	76	71
Week of May 5	78	75
Month of May, 1930	101	94

Niagara Wire Co. Sales Satisfactory

From Our Own Correspondent

MONTREAL. — While the situation in the newsprint industry is not without effect on operations of Niagara Wire Weaving Co., it is understood that the company has a fairly satisfactory volume of business on hand.

Activities of the company are directly influenced by the volume of newsprint produced by Canadian mills and the slump in production has likely led to a lower demand for wire screens than was the case last year.

On the other hand current output of newsprint in Canada is above the average of the past six years despite the difficulties confronting the industry, and it can be assumed that production of wire screens by Niagara Wire Weaving Co. is on a relatively high scale.

The company closed its fiscal year on March 31; details of earnings are not available. In the previous fiscal year profits totalled $172,845 and after deductions were equal to $2.45 a share on the 40,000 shares of no par common stock outstanding.

LAKE SHORE'S LOWER LEVELS LOOKING WELL

North and South Veins Proving Interesting at Depth

From Our Own Correspondent

KIRKLAND LAKE.—Work at the lower levels of the Lake Shore continues to show an improvement in values over the upper levels. The tendency toward an improvement in the values in the north and south veins was pointed out through the columns of The Financial Post more than a year ago. The theory then expressed has proved correct.

The south vein was, for some time, considered a low grade deposit. However, it is now developing into a moderately high-grade deposit. It is not nearly as high in grade as the north vein but contains an average, at the lowest levels so far opened on it, as high as the average grade coming from the Kirkland Lake producing area—around $12 to the ton.

Earning at $2 Rate

The north vein is developing into an exceptionally high-grade orebody. At the 2,200-ft. level it has shown an average of $30 to the ton over an average width of nearly 10 feet, and a length of around 2,200 feet. This means around $4,700,000 to each 100 feet in depth, in this one section alone. There is known to be a further large amount of ore to the east and west of this section as well as paralleling in this north vein system. Added to this is the ore in the south vein.

Meantime, the enterprise is securing profits at a rate more than equal to $2 per share. This rate will be increased very considerably before the close of the current year.

Whether Lake Shore is to secure control of the adjoining Kirkland-Hudson Bay, or not, remains to be seen. The fact remains, however, that interests identified with the Lake Shore are also closely identified with those who recently secured an option on 40 per cent of the shares of Kirkland-Hudson Bay.

David et Frere Volume of Sales Is Satisfactory

From Our Own Correspondent

MONTREAL.—Sales of David et Frère, biscuit manufacturers, are stated to be satisfactory to date this year and officials look for an eventual increase in volume as compared with last year. Though this is no criterion for earnings, it is stated that profits are sufficient to cover dividend needs comfortably.

Additional machinery has been installed since the beginning of the year which has enabled the company to increase output and lower costs. Operations are presently being carried on at capacity with night shifts.

Maintain Liquid Position

The strong liquid position shown at the end of 1930 has been maintained. Balance sheet at that date showed current assets of $264,090 as opposed to current liabilities of $13,158 leaving net working capital of $251,532.

The company manufactures, for the most part, a cheaper grade of biscuit and though not immune from contracted purchasing power has escaped a recession which might have followed sales of a luxury product.

Earnings in 1930 were slightly lower than those of 1929 at $103,127. Profits applicable to the common stock were equal to $2.25 a share.

Grand Lake Steam Power Plant Nearing Completion

From Our Own Correspondent

MONTREAL.—Good progress is being made in the construction by New Brunswick Power Commission of the Grand Lake steam power station. It is now anticipated that the unit will be ready for operation within the next few months; the additional generating capacity providing the commission with sufficient reserve for the time being.

The Grand Lake station will use approximately 20,000 tons of coal per annum, all of which will be secured from the provincial mines.

NASH DEAL WITH DURANT IS DELAYED

Proposal to Be Considered When Assets Formally Transferred

MEETING APPROVES

Dominion Motors is Name of New Company to Own Leaside Motor Plant

At the adjourned special meeting of Durant Motors of Canada, on May 7, shares represented in person or by proxy voted unanimously to transfer the assets from Durant of Canada to the new company, named Dominion Motors, Ltd. Approximately 257,000 shares of 284,899 shares outstanding were represented at the meeting.

The way is now clear for the completion of the contract between Dominion Motors and the Nash company, but it has been intimated in unofficial circles that this deal, whereby Nash cars were to be manufactured at the Durant plant, is not yet a foregone conclusion.

Nash Deal Waits

Some weeks ago it was announced that the two companies had come to an agreement whereby the Nash cars would be manufactured in Canada. With the transfer of assets from Durant of Canada to the new company delayed by the injunction proceedings instituted by Durant of Delaware, the signing of the contract with Nash was postponed. It will now await, it is understood, the formal transfer of the assets to Dominion Motors, when it will be considered further. This will take place, it is said, about June 1.

Meanwhile, the Leaside plant is working part time. Production is understood to be about 35 cars daily.

The injunction proceedings, after several adjournments, were dismissed at Osgoode Hall, Toronto, on the two parties reaching an agreement out of court. It is stated definitely that the agreement gives the Canadian company the right, as in the past, to the Durant name in Canada and also enables it to buy parts from the United States Durant companies if it wishes. The old profit-sharing agreement, which favored the United States company, is no longer in existence. Durant of Delaware is now a shareholder, it is said, only to the extent of 256 shares.

Charter is Broad

As at Dec. 31, 1930, Durant of Canada had outstanding 284,899 shares. The new company will have 287,000 shares, the difference being repre-

(Continued on page 2, col. 4)

Says Western Grocers Sales Holding Up

At the annual meeting of Western Grocers, Ltd., held in Winnipeg, W. P. Riley, president, informed shareholders that sales for the first three months of the year had held up remarkably well, although he expects that the dollar value of business in 1931 will be less than for last year.

Mr. Riley also announced that there are now 700 retailers in the Prairie Provinces who are operating Red & White Stores in co-operation with Western Grocers.

Frank O. Fowler, manager of the Winnipeg Grain and Produce Exchange clearing house, who was elected a director of Western Grocers, Ltd., at the annual meeting, held Tuesday. Mr. Fowler succeeds G. W. Markle, now living in Vancouver.

Canada Wire's New Rod Unit Starts in June

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Co.'s new plant in Montreal East has been completed and will be brought into operation about the beginning of next month.

Equipment has been installed to roll copper rods, draw wire and carry out other finishing operations. Raw material will be received from the new refinery of Canadian Copper Refiners, about 200 yards away, both plants being joined by a spur railway line.

Construction of the Montreal East plant marks an important step forward. At present there is only one other copper rolling mill in Canada from which copper manufacturing companies can secure copper rods. With the placing in operation of the rolling mill at the Montreal East plant, copper rods will be produced for use in the wire drawing machines and wire stranding machines located in another section of the large plant. Copper rods will also be made available for use in other copper manufacturing plants in Canada.

The refinery of Canadian Copper Refiners has been in production for several weeks and will be ready to deliver copper wire to Canada Wire and Cable's plant when rolling mill operations commence. The refinery will receive the bulk of its copper from Noranda Mines, but will also receive copper from Hudson Bay Mining & Smelting Co., operating in the Flin Flon district. Thus the copper eventually finding its way into the products of Canada Wire and Cable's plant of Montreal East will be produced from Canadian mines and will be entirely processed in Canadian plants.

Economic Problems Of Depressed World Probed at Congress

Innocuous Resolutions Do Not Fairly Reveal Extent and Nature of Studies at Washington Gathering

CANADIANS JOIN CONGRESS FOR FIRST TIME

British and German Business Men Found to be in Close Accord—Europeans and Americans Differ in Conception of Underlying Economics of World Situation

By FLOYD S. CHALMERS, Editor, The Financial Post

WASHINGTON.—While the congress of the International Chamber of Commerce, that was held here last week, was the sixth since the organization of that body 12 years ago, it was the first in which Canadians have participated, a small delegation having been supplied by the Canadian Chamber of Commerce. The Canadian Chamber was represented by George C. McDonald, chairman of the executive committee and Wendell McL. Clarke, secretary. Several other Canadians also attended the sessions. Apart from one Canadian address, outlining our tariff and commercial policies, and one comment by the Canadian chairman on the silver question the Canadians took no active part in the discussion of the many controversial subjects before the congress, being content to observe the workings of the international business men's forum that is provided by the International Chamber. Future meetings may see more of the Canadian viewpoint expressed.

Some genuine giants of the business world of North America, Europe and Great Britain and Japan—as well as other countries took part in the sessions not only with prepared addresses but with comments on subjects under discussion. At any time, one sitting in on a small group meeting discussing wages, or futures trading, or navigation rulings might hear illuminating comment from Pirelli, leader of Italian industry; Masson, head of the great Crédit Lyonnais; Swope, president of General Electric; Meyer, who bosses the European steel cartel; Chapin, of Hudson Motor; Pei, manager of the Bank of China; Sir Alan Anderson, Sir George Paish or Sir Arthur Balfour of Britain; Lord Luke, head of Bovril; Kagami, president of Nippon Yusen Kaishi; or others equally well-known throughout the world.

No Optimistic Keynote

No one came to the conference with a keynote speech of optimism. Not once did any one foretell the turn of the business tide. The present world economic situation was on everyone's minds but it was almost universally conceded that the world depression was deep-seated and that most of the fundamental elements in it were still present. The depression was considered largely to be the deferred reaction from the war, operating through the medium of the collapse in commodity prices. Some few were more specific in tracing the causes of depression.

Sir George Paish, who was not on the programme, nevertheless circulated among American newspapermen and told them all that the world was crumbling to pieces, that the panic this fall would be worse than anything yet experienced during the depression and all because the world was committing economic suicide by tariffs.

The Europeans naturally emphasized war debts, North American extravagance, and American tariff policy as primary obstacles to recovery; the Americans, inspired by Hoover's opening address, instanced excessive expenditure on armaments as a barrier to prosperity and everyone admitted that depressed silver prices retarded recovery in the part of the world that represents half the world's population, although not half of its purchasing power.

Resolutions Somewhat Inocuous

Efforts to reach some considered and unanimous viewpoint on such questions as war debts, tariffs, wages, unemployment stabilization, silver stabilization, etc., were undoubtedly sincere. Harassed chairmen of delegations struggled hard, first, to reconcile conflicting viewpoints among their own followers and, then, to make their own patchwork policies fit in with the opposing policies from other countries. No one definitely wanted to play politics but each chairman apparently felt the need of recognizing the political leaders in power at home and so it is not surprising that the resolutions finally adopted on important questions were somewhat innocuous. Whether or not this means the con-

(Continued on page 3, col. 3)

SHERWIN PAINT STOCK CONTROL MAY CHANGE

Disposal of Cottingham's Shares May Swing Balance

LEADING PRODUCER

Company Occupies Strong Position in Canadian Paint and Varnish Field

From Our Own Correspondent

MONTREAL.—Disposition of the late W. H. Cottingham's holdings of Sherwin-Williams Co. of Canada stock, which, incidentally comprises a controlling interest, is engaging the attention of the paint company's officials.

While no official announcement has been made, it is understood that the executive has entertained several offers for the late chairman's shares, sale of which would naturally entail a change in control of Sherwin-Williams Co.

Confer With du Pont

One of the most active bidders is said to be the du Pont group which, together with Imperial Chemical Industries Co., control Canadian Industries Ltd. Officials of Sherwin-Williams have no statement to make as yet, though they have admitted that outside interests have made overtures to the company.

Shares of Sherwin-Williams have been steady on the Montreal Stock Exchange and do not appear to be discounting any particular occurrence. There has been comparatively limited trading around 28 at which price the current dividend of $1.60 a share gives a return of 5.50 per cent. The stock is closely held and seldom makes its appearance on the market.

Control Brought to Canada

W. H. Cottingham was chairman of the company and it was he who purchased control from Sherwin-Williams Co. of America some years ago. The company is still affiliated with the American organization.

If the du Pont group secure control, activities of Sherwin-Williams (which is the largest paint company in Canada) would fit in with operations of other subsidiary companies in Canada. Canadian Industries, for instance, is a substantial factor in the paint industry and production from its paint and varnish division includes a wide line of varnishes and enamels, oil colors, industrial paints and "Duco" for industrial and household uses.

Formed Twenty Years ago

Sherwin-Williams Co. of Canada was formed in 1911 to consolidate the Canada Paint Co., Lewis Berger & Sons of London, England, and the Canadian business of the Sherwin-Williams Co. of America. In 1921 the controlling interest in Lewis Berger & Sons of London and its Australian subsidiary was sold.

In 1928 Sherwin-Williams Co. acquired control of the Winnipeg Paint and Glass Co.. Other subsidiaries include International Varnish Co. and Martin-Senour Co., while Carter White Lead Co. of Canada is controlled.

Has No Funded Debt

The parent company has 200,000 shares of no par value outstanding in addition to $3,460,000 of 7 per cent preferred. There is no funded debt. The common stock shares equal rights with the preferred as regards voting.

In 1929 the common was split five for one, and the dividend was raised to the equivalent of $8 a share on the old stock as compared with a former rate of 6 per cent. A bonus of 20 cents a share was also instituted on the new stock which brought the total rate up to the equivalent

(Continued on page 3, col. 1)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Avon River	4	Gypsum, Lime	20
Algoma Steel	16	Howard Smith	1
Abitibi P. & P.	9	Hydro-Elec. Sec.	4
B. C. Elec. Rly.	4	H. Walker-G. W.	11
Brazilian	1	Internat'l Power	9
Belding-Cort.	5	Int. Paper	16
C. P. R.	4	Imperial Tobacco	9
Consol. Utilities	4	Int. Nickel	11, 19
Can. Steamship	4, 17	Jam. Public Serv.	4
Crown Dom. Oil	9	J. Morrow Screw	20
Can. Bronze	9	Langley's	[illegible]
Can. Paperboard	16	Lindsay, C. W.	[illegible]
Can. Vickers	18	Maple Leaf Mill.	[illegible]
Collingwood Term.	18	Montreal Deb.	[illegible]
Canada Wire	1	Massey-Harris	[illegible]
Can. Canners	17	Muirheads	[illegible]
Consol. Pub. Util.	17	Mutual Relief Life	15
Cons. Smelters	20	Mersey Paper	16
Can. Packers	1	Niagara Wire	1
Canada Housing	5	N. B. Power	4
De Forest Cros.	20	Ogilvie Flour	9
Dodge Mfg.	20	Quebec Pulp	16, 18
David et Frere	1	Power Corp.	4
Dominion Glass	20	Pub. Util. Invest.	17
Dominion Bridge	9	Powell River Pulp	16
Durant	1	Quebec Tel.	13
Economic Trust	16	Spillers Ltd.	20
Gt. Lakes Paper	16	Steel Co. of Can.	9
Gurd, Charles	16	Sherwin-Williams	1
Goderich Elev.	18	South. Int. L. & P.	5
Great North. Pap.	4	Thrift Stores	2
Geo. Weston	11	Western Grocers	1
Gt. Brit. & Can.	11		

MINES AND OILS

Cariboo	13	Lake Shore	1
East Crest	18	Morrison Mines	19
Hollinger	19	McIntyre	19
Indian Mines	19	Okalta	2
Int. Nickel	11, 19	Parkhill Gold	19
Kehoe	19	Richfield Pete.	17

QUOTATIONS

Bonds	12	Mines	13
Grain	12	Stocks	13

REGULAR DEPARTMENTS

Answers to Enquiries	9
Business	7
Banking	14
Editorial	6
Insurance	15
Mining	19
Pulp and Paper	16
Utilities, Transportation	4

SPECIAL FEATURE

The Silver Situation	10

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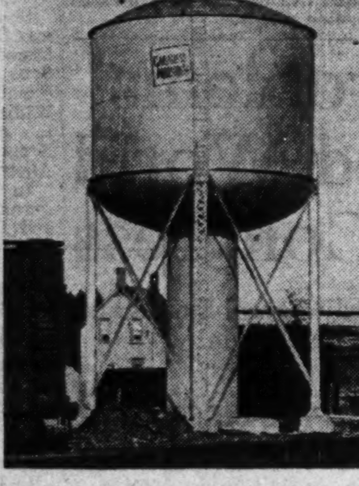

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77

PAPER SITUATION NEEDS CORRECTION SAYS JOHN PRICE

Adjustment of Difficulties Necessary for Prosperity

From Our Own Correspondent

MONTREAL.—The newsprint situation today is worse than a year ago, said John H. Price, president, at the annual shareholders meeting of Price Bros. and Co. He pointed out that consumption of newsprint had fallen off, that the lower price did not help the situation, and until the difficulties are boldly faced and properly adjusted on a sound basis, there is little hope for the industry, as a whole, enjoying better times.

Shareholders were given a complete review of the varied operations of the company and the particular problems confronting each division. Colonel Price said in part:

"Upon examination of the balance sheet you will find that the current assets are twice the amount of the current liabilities without including in current assets the investment item of approximately $5,500,000.

"The net current assets, excluding investments are around $500,000 less that at the same time last year and this is fully accounted for by the fact that we have completed payment of our new head office building—"Price House"—as well as having purchased $600,000 debentures of the Donnacona Paper Company, Limited.

"Since the close of the accounts we have arranged a mortgage of $750,000, secured by "Price House," on satisfactory terms, which will put back the liquid position of the company to at least as sound a position as it was a year ago, which, I submit, is most satisfactory.

"The allowance for depreciation of properties and depletion of limits have been calculated upon the same bases as heretofore, both of which I am sure you will agree are generous.

Lumber Mills at Capacity

"We again ran our lumber mills at Rimouski, Price, Matane and Salmon Lake to capacity as being the most economic basis on which to operate.

"Our production approximated 70,000,000 feet of sawn lumber, as well as the usual quantity of ties and shingles, which, despite the serious depression in the lumber trade, we have been able to dispose of with profit to your company.

"It may interest you to know that we continue to make satisfactory profits in the manufacture and sale of sulphite chips from sawmill waste.

Jonquière Profits Lower

"During the past two years the profits from the Jonquière mill considerably diminished on account of the severe competition in the sale of the mill's diversified products, consisting of wall paper, different grades of board, tickets, etc.

"In order to combat this we installed a laboratory at that mill and reorganized its operations in such a way that today we are not only producing better but more saleable grades of products and feel that in due course the returns from this mill will be again normal.

"The situation in the newsprint industry is still anything but satisfactory and certainly worse today than it was a year ago. Not only has the consumption of newsprint fallen off, but the current price, as recently announced, is $5 per ton less at the mill. The strained financial condition in which some of our associates in the industry find themselves does not help the situation, and I feel strongly that until these difficulties are boldly faced and properly adjusted on a sound basis there is little hope for the industry as a whole enjoying better times.

New Wage Schedule

"At the beginning of this calendar year, your board deemed it advisable to reduce the staff where possible and to make a reduction in salaries, graded from ten per cent down, and on the third of this month a new wage scale, showing more or less similar reductions, was put in force at all of your company's mills.

"Your board felt justified in taking this action on the grounds that wages were from time to time increased during prosperous years and that employees could readily accept a reduction now with the industry in the condition it is and the cost of living considerably lower."

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IN contrast to the ancient spectacles comes a complete change. A change so much in keeping with the mode that we deliberately call it "eyewear."

A—9k English white gold rimmed Eyeglasses for those who wear glasses for reading only. Hand-made, engraved or plain thin rims.

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D—The rimmed spectacle frame in white or rose gold is light and inconspicuous and can be fitted to give the utmost in comfort and security.

Now in Simpson's Optical Department, Second Floor

THE ROBERT SIMPSON COMPANY LIMITED

Sales for Year Of Thrift Stores Are $3,363,137

From Our Own Correspondent

MONTREAL — Sales of Thrift Stores Ltd. in the fiscal year ended March 31, 1931, totalled $3,363,137. Comparative figures for the previous twelve months are not available; figures published show sales of $2,084,811 in the eight months ended March 31, 1930.

No figures on last year's earnings have been released as yet; indications at the end of the half year were that profits would be equal to around $2 a share on the ordinary stock of which there are 20,000 shares outstanding.

Thrift Stores came into operation in August, 1929. Earnings from that date to the end of the initial fiscal period, March 31, 1930, were equal to $1.18 a share on the common. There is also $350,000 of 6½ per cent first preferred and $120,000 of 7 per cent second preferred stock outstanding.

The company now has 57 grocery stores in operation in Montreal, while it is planned to open three more in the course of the next week or two. One store is operated in Ottawa. Sales during the current fiscal year to date have been on an encouraging scale.

STOCK MARKET DEPRESSED BY DIVIDEND REDUCTIONS

(Continued from page 1)

new models and sales of radios. News print securities are at a very low level, reflecting the disturbed condition of the industry.

Accumulate Carefully

Selling pressure has been temporarily lifted but alternate rallies and declines appear to be the general expectation for a time awaiting some news of outstanding importance to give an impetus to optimism. In spite of severe and continuous pressure, leading stocks both in Canada and the United States have shown considerable resistance, which is an encouraging factor.

The stock market is favored, particularly in the United States, by a large short interest which will have to cover whenever good news comes. Sentiment on the long view appears stronger as to wheat, money remains easy and various adjustments in industry and business suggest foundations are being well laid to take advantage of any recovery that occurs. Buying policy appears still to be for experienced investors to accumulate carefully in times of reaction.

NASH DEAL WITH DURANT IS DELAYED

(Continued from page 1)

sented by shares which, legally, are issued but which never have been paid for in full, and consequently remain with the company. The shareholders of Durant of Canada will receive share for share in the new company. The shares are of $10 par value.

Under the charter of Dominion Motors, the company will be able to manufacture in its plant automobiles for other makers and also has authority to diversify into airplanes, motorboats and household and farm equipment.

REGENT KNIT
OUTER and Sports Wear

NATION'S BUSINESS

(Continued from page 1)

willing last August to take the action urged upon them by The Financial Post, not only would their members have saved many millions of dollars, but those institutions themselves would not have been brought so close to the brink of ruin.

* * *

IN TIMES of fairly high grain prices an installment method of paying farmers for grain as it is delivered works without undue hardship. Even though a farmer may have to wait more than a year for the final proceeds of his crop he can get along. But with low grain prices the farmer needs his money early, and this, under the efficient system of handling and financing grain which has been built up in Canada, he is able to get, even though the grain for which he is paid may not be consumed for many months. Refusal by leaders of the pooling movement to recognize this fact is one of the causes for the present condition of the pools.

* * *

IT WOULD be pleasant to be able to commend the directors of the Manitoba pool for the action now in contemplation, action which taken last fall would have been commendable, and might have been sufficient to save the situation for that institution. But unfortunately more is now required. The Manitoba Pool is in need of complete reorganization. Its financial situation, much worse than that of the pools in the other two provinces, places it in a position where it is impossible to carry on without further government assistance, assistance which, until reorganization has been accomplished, the government of Manitoba would not be justified in giving. The management of its local affairs, as distinct from the selling policy of the Central Selling Agency, is under fire at the present time, and a royal commission is currently sitting to investigate very serious charges in connection therewith. The report of that commission will have to be considered by the Government of Manitoba before the government can determine upon its course of action with respect to the pool. A few weeks ago Premier Bracken intimated in the legislature that extensive changes, and possibly a change of management, might be called for.

In addition, it is impossible to forget that the board of directors of the Manitoba Pool, which now announces an intention of letting some of its members sell their grain on the open market, were, up to a short time ago, engaged in an intensive and costly campaign, essentially at the cost of the taxpayers of Manitoba, to impose compulsory pooling on the province, and thus prevent any farmers from making use of the open market. The switch from one position to one almost the exact opposite was accomplished without a word of apology or explanation.

Not quite the exact opposite, it must be noted. The liberty to use the open market which it is proposed to give to members is decidedly limited, limited by condition that open market selling be conducted through the pool organization, which would thus still retain its hold on its members.

* * *

IT SEEMS hardly possible that Saskatchewan and Alberta pools after the lead given in Manitoba, can maintain their present refusal to afford relief to members. The Saskatchewan pool continues to fight a losing battle for a compulsory pool, and gives no sign as yet of a willingness to set about an inevitable reorganization. There have been indications that the Alberta pool would like to shake itself loose from its entanglement with the other two pools in a Central Selling Agency, and such separation may have to be achieved before the pool there makes further changes.

OKALTA PRODUCTION NEARS HALF MILLION

Output of Well Considerably Lower in Last Year

Annual report of Okalta Oils for the year ended December 31, 1930, shows total income since commencement of production in November, 1928, as $471,596. Development, general expenses and royalties since that date have amounted to $574,891 leaving a net deficit of $103,285.

The company has one producing well in Turner Valley which came in in November, 1928. The marketed production from this well in 1930 amounted to 36,379 barrels of crude oil and discolored naphtha in 1929.

The balance sheet of the company shows current assets totalling $34,178 including $19,178 for casing on hand. Current liabilities are shown at $28,229.

The authorized capitalization is $450,000 in $100 par value preference stock and 1,800,000 shares of common stock of no par value. All the authorized capitalization is outstanding.

The annual meeting of the company is called for May 18, 1931, at Calgary.

Field Crops in Nova Scotia

Field crops in Nova Scotia were larger in 1930 than in 1929, although the 540,000 acres under crop were slightly less than the previous year. The barley yield increase was most notable, this crop yielding 359,000 bushels as compared with 305,000 bushels in 1929.

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PSYCHO-GRAPHOLOGIST TO THE DOMINION GOVERNMENT

FALLING VALUE OF BRAZILIAN HITS MARKET

(Continued from page 1)

it is understood, been worked out at a basis of 65.3 per cent annually for Brazil and 34.7 per cent for other countries. It is proposed that there should be an agreement among all these countries not to increase acreage or plantings. These proposed measures are powerfully aided in the meantime by the present very low price for coffees of all grades.

Brazil has natural advantages in the growing of coffee which will probably keep it as the main producer for many decades at least. Efforts are being made to induce agriculturists to diversify and not to depend too greatly on this money crop for their subsistence. It is reported that conditions are already bringing about a decided trend to diversification.

Balancing Brazil's Budget

More important still, so far as the exchange valuation of the milreis is concerned, Brazil is showing unmistakeable signs of a determination to balance her budget. Because Brazilians have less purchasing power and are buying less, imports necessarily have been falling and customs revenue with them. The Brazilian Government has cut its requirements for 1931 from $205,441,350 to $171,383,380, a reduction of $34,057,970 at current rates of exchange. It is also increasing the income tax and putting luxury taxes on tobacco, drink and other commodities which it expects to add $30,125,000 to its revenue. This attempt to balance its budget is regarded by international bankers as one of the most promising indications given by the government, and if there is no further revolutionary disturbance it will help to create confidence.

There is undoubtedly anxiety with regard to payment of Brazil Government bond interest. Some observers state that they would not be surprised by a decision to drop sinking fund and principal payments until the company is in a better situation. It is pointed out, however, that even if Brazil defaulted on interest payments, as well, the first result would be a strengthening milreis, as the country would be temporarily relieved of the necessity of finding foreign money on a gold basis to pay its interest.

The company's revenues are to a certain extent self-adjusting to milreis exchange fluctuations. It sends out accounts to users of power, telephone, electric light and some other utility services so that fifty per cent is payable in gold. As the par value of the gold milreis is 54 cents (the stabilized value near 11 cents not having done away with the legal gold value) the fifty per cent of the account payable in gold would require 9 paper milreis for every one milreis used to pay the other half if the milreis were valued at 6 cents. If the milreis dropped to 4 cents there would be required 13½ paper milreis to pay the gold milreis portion of the account for each paper milreis on the other half of the account. This automatic adjustment arrangement is very valuable to the company in a time like the present.

The only revenue which it is not able to apply this system to is the street railway revenue, and it is impossible to adjust tramway fares in this way. However, this method explains why the company's revenue as measured in dollars has kept up as well as it has. The company has been able to meet debt service outside of Brazil as required.

Brazilian Traction so far has been consulting the wishes of investors in its stock dividends. Many of these need the revenue and are glad of something that can be sold in the stock market. Others feel that a stock dividend means nothing in actually improving their investment and would like to see a little cash at a lower rate without dilution of the stock by stock dividends. Others again are quite willing to see dividends stop until they can be paid in cash. These feel that the net profits turned back into the company ten years ago in lieu of dividends were eventually of great value to the shareholders. They hope for a similar experience.

The stock market meanwhile indicates a growing fear that stock and other dividends may be abandoned for a time. These fears were proved unfounded on the occasion of the last meeting of directors but the directors are giving every phase of the matter close attention. Stock dividend declarations in the past have been made with the object of giving shareholders something that can be exchanged for cash. This was patently a temporary policy, however, and future dividend policy will depend greatly on the progress of business and the fate of the milreis.

Hudson Bay Railway Opens New Fur Territory

From Our Own Correspondent

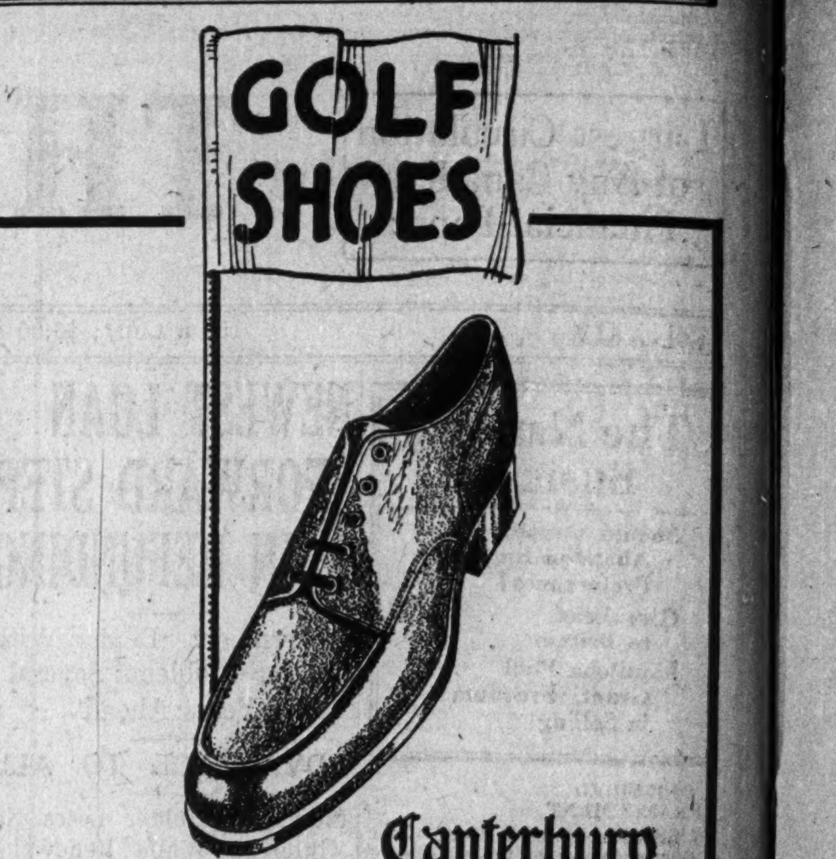
WINNIPEG. — A new trading area tributary to the Winnipeg raw fur market, has been opened up by the Hudson Bay Railway, recent developments indicate. A shipment of 431 white foxes was recently received from Churchill by a Winnipeg dealer which, he states, is the largest single parcel of this article ever received in this market from free traders in the area adjacent to the west coast of Hudson Bay.

Prior to the completion of the Bay railroad, independents were not active in that region and much of the fur taken from there found its way directly to the European market by ship. Such "loose" lots as this would, at that time, have either been shipped out by vessel at infrequent intervals or have found its way down to The Pas in smaller parcels. They would either have been entirely lost to the Winnipeg market or have taken many weeks longer to reach it.

The number of traders operating in the Churchill area has increased substantially since the Bay railroad started operating, Winnipeg fur men state. Since this market is dependent upon the independent trader for its receipts, they predict that this new field will assume larger importance as time goes on as a primary source of raw furs for the Winnipeg market.

Halifax Firms Prosper

Imperial Oils Limited, Moirs Limited, Bens Limited and other large firms in Halifax report substantial growth in 1930 and several are planning extensions in 1931. The same applies, to a certain extent, to many of the smaller concerns.



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SHERWIN PAINT STOCK CONTROL MAY CHANGE

(Continued from page 1)

of $9 a share on the old stock. This bonus was dropped in March, 1931.

Thus, current quotations of 29 on the shares of Shewrin-Williams are equal to a price of 145 for the old stock. This compares favorably with the average price during the past seven years though the high in 1929 was 235 and the low 184½.

The equity back of the common has been substantially increased in the past few years. New units have been built, new properties acquired, and large sums have been ploughed back into plant.

Plant Was Expanded

In the last fiscal year which ended August 31, 1930, the plant of Winnipeg Paint and Glass Co. was expanded to an extent which increased its output by 35 per cent. Large areas of mineral deposits were acsuired near Red Mill, Que., which contains enough iron oxide to supply Sherwin-Williams requirements for the next 35 years.

A new lacquer unit at the Montreal plant has been brought into full production at a cost of over $100,000, while new machinery installed at Red Mill has speeded up grinding operations and will allow the company to export a substantial portion of total output.

Spring Sales Encouraging

Sales during the current year have been affected to some extent by business conditions, particularly in the West. Spring business has been encouraging and in this respect business in Eastern Canada is considered satisfactory. The company made drastic cuts in all prices early this year.

Earnings of Sherwin-Williams in the last fiscal year were down about $222,000 at $784,732 and after all deductions were sufficient to cover dividend requirements on both classes of stock by a margin of $30,127. This compared with a surplus of $260,964 in the previous year.

Total assets were valued at $15,554,637 as compared with $10,703,026 at the time the company was formed in 1911. Depreciation reserve at the end of the fiscal period was $2,103,392 and total surplus was $4,592,856.

ECONOMIC PROBLEMS OF DEPRESSED WORLD PROBED AT CONGRESS

(Continued from page 1)

ference was a failure is a matter of opinion. The airing of conflicting views, particularly in private conversations between business leaders of all countries, can not but have an immeasurable but substantial effect for good.

With the reservation that the most important work of this gathering probably is not to be found in the opinions finally expressed in resolution form, one may discuss something of what led up to certain of these.

American Tariff Policy

The American tariff had been under fire for a whoe week as were unnecessarily strict restrictions on international trade in Europe. The Britishers who spoke were particularly unfriendly to tariffs in general and they gave the impression that British business is still free trade and unalterably opposed to any degree of protection for their country. Here the real situation was that the only Britishers who discussed tariffs happened to be free traders, while the majority of the British delegation, free traders in principle but convinced that Britain must adopt protection in self-defence, did not get a chance to be heard nor did they appear to seek such an opportunity. The viewpoint of British industry was really not heard at all.

A great many of the American business leaders expressed the opinion privately that many tariff concessions could be made by the United States without any harm to American producers and most of them admitted (also privately) that the United States would in the next generation find it desirable greatly to scale down its tariff walls. But for purposes of public record they were not prepared to take a stand for tariff reduction now.

They still believe sincerely that protection is necessary to maintain American standards of wages and living and they suspect there is a nigger in the woodpile whence issues the European demand that the United States shall give up protection.

Hoover Still Protectionist

The viewpoint of the administration is apparently well known to and agreed in by most American business leaders. Hoover, it seems certain, still believes in the protective tariff for the United States.

So, the final resolution on tariffs, a compromise between the European and American views, was one that offended nobody, not even the free traders among the British delegation and the high protectionists among the Americans. It urged that every possible obstacle to trade be removed, that embargoes be utilized only against dumping and similar unfair practices, and that machinery now existing for the adjustment of tariff inequalities should be promptly used. This was obviously a request to the United States to use its tariff commission to change a few of the more ridiculous schedules in the American tariff; to this the American business leaders have no objections at all. They want their tariff; but they think their own politicians have tinkered with it too much, making it unnecessarily antagonistic.

Call World to Disarm

On the question of armaments the conference took President Hoover's lead and called for redoubled national efforts to cut defense budgets and thus reduce taxes. That Hoover sincerely believes that huge national expenditures on armaments are barring world trade recovery can not be doubted. In fact, the president quite honestly ranks armaments ahead of war debts as a factor in depression. The Europeans did not come prepared to talk about cutting down armies but they were polite enough to agree with their official host.

Newspaper despatches on the conference have quite naturally concentrated on the question of war debts and this is not surprising, since the political battle that was waged throughout the week behind the scenes on this question was vitally interesting. It may be stated quite definitely that American business men, in the main, still wonder why all the fuss is being made about war debts. Some of them ask if the European countries think it is necessary to call off all or part of the war debts in order to restore world trade, does it not naturally follow that private international loans ought also to be adjusted. They see little difference between money owed on account of war loans and money owed on account of post-war loans. The fact that any relief afforded by the United States to foreign creditors would be borne directly by the American taxpayer, since the holders of Liberty bonds would not accept similar concessions, looms largely with some Americans.

Do Not See Price Theory

The alternative demand that the war debts should be written down in accordance with the change in the value of gold also mystifies the Americans, who want to know when it became international practice for debtor and creditor to adjust their obligations on the basis of money values. There are only a few Americans and they are chiefly in banking circles who have given the war debts question much attention and these few recognize that war debt adjustment or cancellation is still politically impossible in the United States. Hoover thinks the whole matter has been exaggerated by European propagandists; he sees little merit in according favors to countries that have enormous sums to spend on armaments and even if he favored adjustment he realizes that he could not put it over with the people in the back districts.

When the European economists tell the Americans that the war debts can only be paid in goods and that the United States tariff does not permit this free entry of foreign goods, the Americans quote figures to prove that their large favorable balance of merchandise trade is much more than offset by their large tourist expenditures and loans abroad.

Foresee Adjustment Later

Privately, a number of American financial leaders expressed the opinion that the war debts will eventually be written down to some extent; that the public will willingly accept this when the United States' war debt has been further reduced; when the return of prosperity permits better employment and wage conditions without the present high tariff; when such action can be taken without raising American taxes. American business men generally are convinced that the European campaign for war debt reduction is just a scheme to lower the American standard of living (through a lower U. S. tariff and higher U. S. taxes) as an alternative to raising the European standard of living. No one can discuss war debts with American business leaders without feeling that this is a question that will remain on the cards for dispute and argument for several years yet. The European propaganda — whether sound or not—simply is not getting over to the American people yet and if war debts sentiment in the United States changes it will be only when Wall Street takes up the question vigorously enough to make political leaders worry.

The congress did pass a resolution on war debts and like the one on tariffs you can make anything you like out of it. It merely said that an impartial examination of the question would not be inconsistent with the maintenance of international obligations if such examination were warranted by changed economic conditions. The strenuous effort of the Germans and British to have this latter phrase made more specific by adding "such as the decline in commodity prices" was as ineffective as the attempt of American protectionists to have the tariff resolution refer to tariffs based on "economic principles."

It was noted that the French did not press for war debts adjustment. They still want Germany to pay. One group of Americans holds to the view that if war debts are to be reviewed it should be through the medium of the moratorium machinery provided in the Young plan for reparations settlement. But apparently the reason Germany has not asked for a moratorium is that her leaders recognize that such a request will throw into bold relief the seriousness of Germany's internal economic situation and precipitate a financial crisis in that country.

Russia Deftly Dodged

The despatch from Washington published in The Financial Post last week indicated that discussion of Russia had been completely barred from the conference by what appeared to be the tacit consent of all present and this continued to be the situation throughout the convention. This was not what the Russians expected. They had hoped to make the congress a machinery for their propaganda. A speech prepared by Col. Hugh L. Cooper, American engineer engaged in development work in Russia, was never called for and was, indeed, not even on the programme. But that did not prevent the Russians having it multigraphed. A copy was slipped into the news box of the 100 or more newspapermen who were present and many of these, not knowing that the speech had not been delivered, filed it to their newspapers. Thus, while the Russians did not get a hearing, at the congress, they got their ideas over to the people and, since no one mentioned Russia otherwise, there was no counter-propaganda.

Many business men expressed surprise that Russia was embargoed on the programme. They considered the Russian situation to be one of the fundamental factors in world business today and found it difficult to justify the action of a gathering of world business men in dodging the subject. But it seemed that the Germans and Britishers did not want their trade relations with Russia subjected to the possibility of criticism and they were sufficiently powerful to win agreement from others.

This lining up, in a business way, of Britain and Germany was apparent throughout the whole of the Washington show, being obvious in discussions of war debts, wages, tariffs, etc. In fact, there was more accord between Germany and Britain than between Britain and the United States. Also, it might be noted in passing, that, outside of the one Canadian address on the programme there was no mention at any time of British economic relations with the Dominions.

Stand for Private Initiative

One resolution passed by the convention seems to have escaped general notice, but to one who appreciates the influence of socialism and its younger brother, public ownership, throughout the world, it was a significant pronouncement. It declared that private initiative and operation of business enterprise is the best assurance of world prosperity. Closely linked with this was an appeal to governments to keep their national expenditures well within their revenues to the end of holding down taxes and stabilizing exchanges and national credits.

The various discussions on wages and employment were among the most valuable of the whole meeting. Emphasis was laid upon the responsibility of employers to stabilize employment for their own workers by planned production, while action by international bankers to mobilize and utilize to the best advantage accumulations of capital was also urged.

World wide agreement on crop reduction was a feature of the agricultural resolution. Import taxes and export bounties on farm products were frowned upon.

Evasions of most-favored nation treaties by such expedients as the Austro-German customs unions came in for criticism.

Holding of an international silver conference was urged but no one was selected for the job of calling the conference.

In addition to discussions of and action taken on these important subjects of world economic importance, there was a great deal of hard work done on such more technical subjects as air traffic, highway transport, unification of bills of lading, customs terms, improvement of navigation rules, futures trading and so on, the effect of which will be far-reaching in a quiet way.

Meet With Britishers

British delegates to the conference met each morning when the events of the previous day were gone over, when the members of various committees gave an inkling of what was going on behind the scenes and when the course of campaign for each day was mapped out. To these conferences the Canadians were very kindly invited, which gave them an excellent opportunity not only to get to know some of the important British business men who were present, but to follow more intimately a business congress that was somewhat intricate to one attending it for the first time.

Close intercourse between the business men of different nations was greatly facilitated by the impressive hospitality of Washington citizens who were lavish in entertainment. Among those who received the foreign delegates were President and Mrs. Hoover, Secretary of State and Mrs. Stimson, Under-secretary of State and Mrs. Castle, Silas H. and Mrs. Strawn, and others. The banquet, tendered by the United States Chamber of Commerce, was a notable affair and the Canadians were placed beside business leaders of the United States. Private luncheons, dinners and receptions were numerous.

Calgary Canned Soup Factory

Arrangements for the establishment in Calgary of the first canned soups factory in Canada west of Winnipeg are being completed and the new Alberta product will be on the market early in the year. Investigations have been under way for some time as to the possibility of replacing imported soups by soups of local manufacture—the former, it is said, amounting to $750,000 annually in Alberta alone.

QUEBEC TELEPHONE & POWER CORPORATION

Head Office: RIMOUSKI
General Office: 421 St. Paul St., Quebec

OFFICERS:

J. A. BRILLANT, Esq., President.
ERNEST BEAUBIEN, Esq., Vice-President.
P. E. GAGNON, K.C., Secretary.

SECOND ANNUAL REPORT

For the Year ended 31st December, 1930

To the Shareholders:

The Board of Directors submits herewith a Consolidated Statement of Income Account and of Assets and Liabilities of the Quebec Telephone and Power Corporation for the year ended December 31st, 1930, as certified by the Corporation's auditors.

Notwithstanding the commercial depression which also affects our Company, the revenues from subscriptions and Message Tolls show an increase of 5.583% on those of the last year.

The number of stations was increased by 203 during the year.

The Permanent Assets have been maintained in good order and provision has been made for the future requirements of the communities served, as well as the economic operation of our subsidiaries.

During the year the Quebec Telephone and Power Corporation has acquired other capital stock of its subsidiaries increasing thereby, in corresponding proportion, its controlling interests.

It has also grouped the different subsidiaries in one or two important systems by the acquisition of interconnected small companies.

In conformity with the Supplementary Letters Patent obtained in 1930, the preferred Capital Stock of La Compagnie de Téléphone Nationale together with its arrears of cumulative dividends was exchanged for common stock of the same Company.

We have thus eliminated on its Balance Sheet an item of $213,000, which for the same amount was shown as Organization Expenses.

New shares were issued thus absorbing $340,800 of the profits which were shown in the Surplus Account.

The premium of 20%, paid on the preferred stock redeemed, representing an amount of $42,600.00 has been charged to Unamortized Debt Discount and Expenses Account.

The Financial plan through which it was proposed to redeem all funded debts of the corporation and subsidiaries and to provide sufficient cash to pay for new acquisitions, and further developments and extensions, was not completed owing to the winding up of the firm which had underwritten the authorized issue of stock, classes A and B, and the agreement with said firm had to be cancelled with the Trustee for the balance still unexecuted.

The continued unsettled business and financial conditions in Canada and elsewhere did not permit the sale of stock left in the treasury after the above cancellation, nor an economical floating of any bonds.

In view of these conditions the Board has decided that it is in the best interests of the Corporation, its subsidiaries and their shareholders to pass the quarterly dividend, in order to maintain a sound cash position for the payment of new interests already acquired, extensions, and inter-connections between subsidiaries.

Both for the standpoint of development and from interior economy, the year has been satisfactory.

The Directors wish to express their appreciation of the loyalty and good will of the Corporation's Customers which constitute its greatest asset and which have been constantly manifested during the year.

The Directors also record their appreciation of the work of the Officials and Employees whose unselfish devotion to the Company's interests has been the principal factor in the year's progress.

J. A. BRILLANT,
President.

RIMOUSKI, March 31st, 1931.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31st, 1930

ASSETS

Plant & Equipment	$1,360,953.13	
Office Furniture & Fixtures	4,269.22	
Stable & Garage Equipment	5,713.62	
General Tools & Implements	2,418.76	
Organization Expenses	23,161.89	
		$1,396,516.62
Investments and Rights	$ 55,087.36	
Difference in book value of System Corporations' Stock	427.09	
		$ 55,514.45
Cash & Deposits	$ 6,755.31	
Accounts Receivable	15,632.37	
Materials & Supplies	28,529.99	
		$ 50,917.67
Prepayments	$ 2,997.07	
Unamortized Debt Discount & Expenses	96,852.07	
		$ 99,849.14
		$1,602,797.88

LIABILITIES

Funded Debt			$ 246,700.00
CURRENT LIABILITIES:			
Miscellaneous Accounts Payable		$ 6,967.45	
Bills Payable		196,599.45	
Accrued Interest on Bonds		7,057.00	
Dividends declared, Payable January 1st, 1931		7,257.20	
Other Accrued Charges		2,417.83	
			$ 220,298.93
Other Liabilities			$ 4,674.21
Reserves for Depreciation on Permanent Assets			$ 269,997.96
Minority Equity in Surpluses of System Corporations		$ 2,848.48	
Dividends payable and to be declared to Minority Shareholders of System Corporations		1,443.00	
			$ 4,291.48
Capital Stock of Corporation	$768,089.00		
Authorized 50,000 Class "A"			
Subscribed & Paid 36,286 shares			
Authorized 50,000 Class "B"			
Subscribed & Paid 35,196 shares			
Capital Stock of Minority Shareholders in System Corporations	34,355.00		
		$ 802,444.00	
Surplus		54,391.30	
			$ 856,835.30
			$1,602,797.88

CONSOLIDATED INCOME STATEMENT

FOR YEAR ENDED 31st DECEMBER, 1930

Telephone Operating Revenues	$ 185,885.49	
Less Subscribers' Revenues and Tolls cancelled	2,973.41	
		$ 182,912.08
Other Revenues		8,221.17
Total Revenues		$ 191,133.25
Total Operating Expenses		103,566.12
Gross Income		$ 87,567.13
LESS DEDUCTIONS:		
Interest on funded debt	$ 15,025.42	
Interest on floating debt	10,252.81	
Depreciation on Permanent Assets	29,644.45	
		$ 54,922.68
Net profits carried to Surplus Account		$ 32,644.45

CONSOLIDATED SURPLUS ACCOUNT

Balance, December 31st, 1929		$ 394,758.34
Interest of Minority shareholders		515.93
		$395,274.27
To Adjustment of Capital of La Cie de Téléphone Nationale	$ 340,800.00	
Premium on bonds La Cie de Téléphone Nationale redeemed and other expenses	1,435.00	
		$ 342,235.00
		$ 53,039.27
By Adjustment of 1929 Revenue	$ 408.26	
Dividend on Investment	587.70	
		$ 995.96
		$54,035.23
To Equity of Minority Shareholders in Corporate Surpluses of System Corporations		$ 2,848.48
		$ 51,186.75
By net earnings for year 1930	$ 32,644.45	
To Dividends declared and to be declared	29,439.90	
		3,204.55
Balance December, 31st, 1930		$ 54,391.30

AUDITOR'S REPORT

We have audited the books and accounts of "QUEBEC TELEPHONE & POWER CORPORATION and SUBSIDIARIES" for the year ended December 31st, 1930, and have obtained all the information and explanations which we required and we certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the Company and its subsidiaries, according to the best of our information and the explanations given to us and as shown by the books and accounts of the Company and its subsidiaries.

LARUE & TRUDEL, C.A.,
Auditors.

QUEBEC, March 24th, 1931.

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Utilities and Transportation

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ECONOMY PREVAILS

Property Maintained According to Standard—Resolutions Passed at Annual Meeting

From Our Own Correspondent

MONTREAL.—An interim quarterly dividend on the ordinary shares of 1¼ per cent, instead of the usual regular dividend at the rate of 2½ per cent, was decided upon by the directors of the Canadian Pacific Railway, following the annual meeting. At the same time, it was announced that results of the coming months' operations would be awaited before finally deciding on the rate that will be paid for the full year.

With revenues heavily fallen in 1929 and 1930, and the results of the first three months of the present year also reflecting present day Canadian conditions, despite the fact that all possible economies have been effected, though care had been taken to prevent impairment of the property, the directors of the company were placed in the condition where they had to decide upon the present action in connection with the dividend.

Cut Down Expenses

At the annual meeting, Mr. Beatty called attention to the fact that salaries of office staffs have been reduced approximately 10 per cent, that the salaries of the president, vice-president, and senior officers would also be cut 10 per cent. The directors accepted the same situation, a by-law having been approved to amend the by-law setting the directors' fees. The cut here is also 10 per cent, and will continue as long as the reduction in the salaries of the employees continues.

Mr. Beatty pointed out that the policy of the directors during recent years had been to restore the company's properties to the place it would have occupied had the war not interrupted its earlier ordered progress. This had been done and it was the intention for the future to proceed with its steady, not spectaculator, developments as the progress of the country warranted.

Reviews Current Operations

Following are the remarks made by Mr. Beatty to the shareholders:

"The results of the operations for the first three months of this year reflect the prevailing trade conditions, the decrease in gross earnings being $5,919,869.60, and in net earnings $943,308.55 under those of 1930. The decrease in freight earnings for the first quarter was 11 per cent below those of 1930, and in passenger earnings 30 per cent. Other sources of rail revenues deserve 15 per cent. You will observe that expenses during this period have been lessened by $4,976,561 or $1,658,853 per month. They will be again reduced beginning with the month of May. This further reduction in expenses has in the main and with the concurrence of a substantial majority of our employees, been effected by shortening of time rather than by reduction in basic rates or in the number employed. While this method is not possible in all cases, it has been applied wherever the consent of those affected was obtained. The reduction in expenses so accomplished will be between 10 per cent and 11 per cent of the wages paid to employees in offices, stations and shops. It has been decided that in view of the necessity for economy and the steps we have taken to shorten time among the men, equivalent reductions in the salaries of the president, vice-presidents and all general, district, divisional and departmental officers shall be made effective from May 1. This reduction will be to the extent of 10 per cent of the salaries now paid. A similar reduction is being made in directors' remuneration, as shown by by-law being submitted to this meeting.

Mention Bus Competition

"The growing influence upon railway earnings of bus and truck competition must not be minimized, the former having already made substantial inroads into your passenger receipts and the latter increasingly encroaching on your freight earnings. Methods to offset this unfair competition are being continually studied by our traffic and operating officers in the hope that measures may be evolved which will permit a fairer allocation of traffic between the railways and these other agencies and prevent further reduction in our gross revenues. It is obvious that at least as great, if not a greater, factor in lowering passenger revenues is the increased use of private automobiles, which, of course, cannot be controlled.

"In consequence of the exceptional and subnormal traffic conditions, the Canadian National Railways and ourselves are endeavoring by co-operative effort to eliminate wasteful forms of competition and by joint action to reduce wherever possible the operating costs of the two companies. Substantial economies have been effected through reductions in passenger train service, without, however, seriously affecting the legitimate requirements of the people in the communities served.

Book Values High

"From its inception. the company has followed very conservative financial policies, with the result that its assets are greatly in excess of the figure at which they are carried in the balance sheet. Through its investments and its control of incidental services, such as telegraphs, express, sleeping cars, ocean and coastal steamships, the company has a future which is limited only by the development of the country. The company is conservatively capitalized, as its surpluses have been reinvested in the property until common stock has a book value of $55 as against a par value of $25. The capitalization is well balanced—the aggregate of bonds, equipment obligations and consolidated debenture stock outstanding being less than 50 per cent of the total capitalization.

"I am hopeful, and even confident, that conditions in Canada will gradually improve. If they do, our earnings will promptly reflect the improvement."

Branch Line Programme

Following the unanimous approval of the resolution that the report be adopted, the shareholders were asked to give approval to resolutions, approval of agreement entered into by the company, and for expenditures on capital account. The first resolution approves of the building of branch lines, the lines to be built being:

1—From Swift Current southeasterly, 31 miles.
2—Moose Jaw, southwesterly branch, 11 miles.
3—Rosetown southeasterly, 20 miles.
4 — Lloydminster, northeasterly branch, 20 miles.
5—Hamlin-Shellbrook, 25 miles.
6 — Mestead northeasterly, 37 miles.
7—Prince Albert, 4 miles.

The resolution was moved by W. A. Blackader, seconded by Charles J. Patton.

The agreement with the Canadian National Railway lines for the joint use of the Canadian Pacific passenger facilities at Regina was approved.

Lease Algoma Eastern

Approval was given to the 999-year lease of the Algoma Eastern Railway Company, from Sudbury to Turner, a distance of 83 miles, and also to the lease taking over the railways owned by the Montreal and Atlantic Railway Company, extending from Farnham to the international boundary near Richford, Vt., from Drummondville to Enlaugra, from Stanbridge to St. Guillaume, in Quebec, and from Richford Newport, Vt., a total distance of 184 miles.

The lease of the Esquimalt and Nanaimo Railway Co., was approved. The lease was made in 1912, and the present approval provides for the increase in the bond issue on which the C.P.R. will pay interest by way of rental to an amount up to $50,000 per mile.

Buy Aroostook Shares

Approval was given to the agreement whereby the C.P.R. acquires 2,000 shares of the stock of the Aroostook Valley Railroad, which owns and operates an electric line approximately 32 miles in length, from a connection with the C.P. line at Washburn Jct., near Presque Isle, Maine. The price is $264 per share. Upon completion of the purchase the company will hold 2,400 of the total outstanding capital stock of the 2,970 shares of the Aroostook Valley Railroad.

Canadian Pacific Capital Increased

From Our Own Correspondent

MONTREAL. — The shareholders of the Canadian Pacific Railway have authorized an additional issue of $50,000,000 of ordinary stock, which, when issued, will bring the total outstanding up to $385,000,000.

In asking approval of the shareholders, E. W. Beatty, president, stated that it was not the intention to issue the stock unless conditions were favorable and should such be the case before the next annual meeting, it was advisable to have the needed authority now, rather than call a special general meeting of the shareholders.

The last issuance of ordinary shares was made in June, 1929, when 347,530 shares of the old stock were sold. During 1929 and 1930, $5,000,000 of stock was sold to employees.

List Inter. Hydro Stock

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces the listing of International Hydro-Electric System 16,606 additional shares class "A" stock without nominal or par value.

BRUNSWICK POWER EARNINGS LARGER DURING PAST YEAR

Larger Interest Payments Bring Net Below 1929 Mark

From Our Own Correspondent

MONTREAL. — Gross operating revenues of New Brunswick Power Co. incresed from $911,692 in 1929 to $927,649 in 1930.

Operating expenses in 1930 amounted to $651,945 as against $665,202 in the preceding year, while non-operating revenue at $5,007 compares with $5,643. Depreciation at $40,000 was unchanged from the previous year; bond interest at $89,000 compared with $89,571; other interest and discount increased from $37,860 to $79,130, while federal income tax at $3,746 compared with $5,237 in 1929.

This left net profits for the year 1930 at $68,835 as against $79,645 for 1929. After deduction of first preferred dividend amounting to $40,000, surplus for the past year totalled $28,835 as against $39,645 at the end of 1929.

Carry Forward Surplus

Details of the profit and loss account for the past two years follow:

	1929	1930
Operating revenue	$911,692	$927,649
Less: Expenses	665,202	651,945
Add: Other income	5,643	5,007
Gross earnings	$252,133	$280,711
Less: Depreciation	40,000	40,000
Bond interest	89,571	89,000
Other int. and disc.	37,680	79,130
Income tax	5,237	3,746
Net income	79,645	28,835
Less: 1st pfd. divds.	40,000	40,000
Balance	39,645	28,835
Brought forward	193,732	233,377
Carried forward	233,377	262,212

Balance sheet of the company as at the end of last year is not yet available, so that it is not possible to analyze the financial position of the company.

Tramway Profits Off

It is officially stated that both the electric and gas departments reported substantial increase in net earnings last year, but the street railway division showed a substantial decrease in gross earnings.

The railway department had a decrease of about 183,000 revenue passengers, while operating on somewhat heavier schedule of car miles and hours. During the year an extension of approximately one-half mile of track was made, while a great deal of rehabilitation work was carried on throughout the line.

Power Output Higher

In its capacity as stand-by for the New Brunswick Electric Power Commission, New Brunswick Power supplied the commission with 8,279,800 kw.h. during 1930, while its total generated output showed an increase of 3,514,000 kw.h.

On February 25, this year, directors declared a dividend of $1 a share on the first preferred stock of the company, on account of arrears. Four similar dividends were paid during 1930.

HYDRO SECURITIES DROPS SMALL SUM IN FIRST QUARTER

Net Ordinary Income Shows Slight Decline from 1930 Figure

From Our Own Correspondent

MONTREAL.—Net ordinary income of Hydro-Electric Securities Corp. comprising dividends and interest received less all expenses in the first quarter of 1931, totalled $806,397 as compared with $819,532 in the same period in 1930.

Net ordinary income applicable to the common stock, after allowing for participation rights of the "B" preferred stock, was 36 cents a share as compared with 39 cents a share in the same period in the previous year. The number of common shares outstanding at the end of March, 1931, was 1,476,393. At the end of the same quarter in 1930 there were outstanding 1,396,333 common shares.

Extraordinary Income Down

Extraordinary income, earned on sale of securities, from participation in syndicates and from underwriting commissions, totalled $262,241 in the same period. When it is remembered that total extraordinary income for the whole of 1930 was $3,224,875, it will be seen that financial conditions have found some reflection in this source of the company's revenue to date.

For the twelve months ended March 31, 1931, however, net ordinary income showed an increase totalling $4,045,194 as compared with $3,164,860 in the same twelve months' period previous, though there were 80,060 additional common shares outstanding at the end of the period.

Twelve Months Results

Net ordinary income applicable to the common stock, after participation rights of the "B" preferred stock, were equal to $1.95 a share in the year ended March 31. In the previous year earnings were equal to $1.49 a share. Dividends on the ordinary stock of Hydro-Electric Securities Corp. were reduced from an annual basis of $2 to $1.40 a share in March, 1931.

Earnings in 1930 were equal to $2.07 a share based on ordinary income. Including extraordinary income, per share earnings last year were $4.25. These figures include deductions for supplementary dividend on Class "B" preferred stock.

B. C. Electric Railway Appliance Sales Gain

From Our Own Correspondent

MONTREAL. — Value of electrical appliances sold by British Columbia Electric Railway Co. in March, 1931, showed an increase of 100 per cent over the figure for the same month in 1930. Sales totalled $30,909, as compared with $15,433, the increase being largely due to the sale of four vacuum systems valued at $22,461. Though value of sales was higher, their estimated annual revenue was virtually unchanged at $7,082.

In March, 1931, the company sold 1964 electrical appliances as compared with 1,425 in the same month in the previous year. Equivalent in kw. connected was 631 as opposed to 843 in March, 1930, and estimated annual revenue from March sales of the current year was $4,467 as compared with $5,280 in the preceding year.

Power Corp. Says Output On Increase

From Our Own Correspondent

MONTREAL. — Electric energy generated by the Power Corp. group of companies in March last totalled 143,958,657 kw.h. This is an increase of approximately 10 per cent over the amount reported in the preceding month, and a gain of 1,324,357 kw.h. over March last year.

Examination of the returns, in comparison with those for 1930, shows a lower output for Southern Canada Power, East Kootenay Power, Northern B. C. Power, Winnipeg Electric and Manitoba Power. The decreases recorded were more than offset by increases reported by Canada Northern Power, and B. C. Power.

Comparative figures in kilowatt hours follow for March, 1931 and 1930:

	March 1931	March 1930
Southern Canada	13,537,270	17,961,470
Canada Northern	34,758,560	30,326,990
Est Kootenay	6,524,700	6,853,300
B. C. Power	43,326,255	38,852,400
Northern B. C.	748,472	753,640
Winnipeg Electric	14,725,400	15,083,500
Manitoba Power	30,343,000	32,853,000
Total	143,958,657	142,634,300

CONSOL. UTILITIES EXPANSION PLANS AWAIT FINANCING

Company Has Disposed of All But Three Properties

From Our Own Correspondent

MONTREAL.—Consolidated Utilities Ltd., successor to Municipal Service Corp., is making headway, though plans for expansion have been delayed pending financing. The company's properties now comprise Amos Water and Power Co., a grain and lumber business at Huntingdon, Que., and the Mountain Gas Co. at Saranac Lake.

Amos Water and Power has outstanding $75,000 of first mortgage bonds on which interest is being paid. Payment was guaranteed by Consolidated Utilities, on the understanding that Amos Power bondholders agreed to a three year extension to the life of their bonds which should have matured in June last year.

Properties Were Sold

Other properties which formerly were controlled or owned by Municipal Service Corp. have been disposed of, or are in process of being sold. These included several small water works systems in Quebec.

Though all bonds of Municipal Service Corp. have not been handed in for exchange, it is stated that the majority have been turned in. There were $500,000 of 6 per cent bonds formerly issued; these have been exchanged for class "A" shares of Consolidated Utilities on the basis of 20 shares for each $1,000 bond. The preferred and common shareholders lost everything in the reorganization.

May Issue Bonds

The new company also has the power to issue $200,000 of first mortgage bonds, but conditions to date have not been favorable for borrowing. When new money can be raised it is the intention of the company to make several needed additions to existing properties.

No dividends have yet been paid on the new class "A" stock.

Avon River Power Buys Middleton Plant

From Our Own Correspondent

MONTREAL. — By a majority of votes, the city council of Middleton, N.S., has decided to sell the municipal power plant to the Avon River Power Co., subsidiary of Nova Scotia Light and Power.

Negotiations looking to the sale of the Middleton plant to Avon River Power have been carried on over the last two years. but for various reasons the deal was not completed until this month.

Gaspé Pulpwood Cut Restricted This Season

From Our Own Correspondent

MONTREAL. — Pulpwood operations on the Gaspé Coast between Matapedia and Gaspé, were conducted on a small scale during the past winter. Though weather conditions were favorable, there was very little demand, with only a few operatives being willing to cut or buy.

Bonaventure Pulp & Paper Co. did not cut any wood during the past season or buy any along the railway as usual, as they still have a large quantity on hand.

At Cape Cove and vicinity, the Ogdensburg Pulp & Paper Co. purchased from the settlers some 15,000 cords. This wood will be shipped by water during the summer to their mill at Ogdensburg.

At Gaspé Harbor, International Paper took out a cut of about 20,000 cords from Gaspé to Fox River.

An independent operator purchased from the settlers some 4,000 cords, which go to Ogdensburg Pulp & Paper Co. by water to their mill at Ogdensburg.

Great Northern Paper Meets Newsprint Cut

From Our Own Correspondent

MONTREAL—Great Northern Paper Co. has announced the reduction of $5 a ton in the price of newsprint, effective May 1, and retroactive from January 1.

The price under the new schedule is $57 a ton delivered in New York. The price after May 1 is the same as the schedule announced by a group of Canadian newsprint manufacturers, but the latter, with the exception of Canada Power & Paper, made a retroactive reduction of $3 a ton. Canada Power put the figure at $5 a ton from January 1 to April 30.

Williams, Partridge & Co. Announces New Directors

From Our Own Correspondent

MONTREAL.—Williams, Partridge & Co., investment bankers, announce that H. Everett Dwyer and S. F. Hamilton Lane have been appointed directors.

Mr. Dwyer will have charge of wholesale distribution and Mr. Lane will act as sales manager.

Public Utility Earnings

Jamaica Public Service Ltd. and Subsidiary Companies

	1931	1930
March gross	$ 71,416.22	$ 71,623.74
Net earnings	27,052.76	26,022.52
Twelve months gross	847,537.46	789,481.85
Net earnings	354,854.62	321,113.70
Surplus after charges	248,926.64	245,837.21

Jamaica Public Service and Subsid. Cos.

March:	1931	1930
Gross earn.	$ 71,416	$ 71,624
Net earn.	27,053	26,023
Surplus after charges	17,652	19,968
12 Mos. End. March 31:		
Gross earn.	847,537	789,482
Net earn.	354,855	321,114
Surplus after charges	248,927	245,837

JAMAICA SERVICE LITTLE AFFECTED BY DEPRESSION

Populace Steadily Becomes More Electrical Minded

From Our Own Correspondent

MONTREAL.— Territories served by Jamaica Public Service Co., subsidiary of Jamaica Public Service Ltd., have been less adversely affected than Continental America from the influence of the world-wide depression in business and industrial activities, according to a statement made by Russell D. Bell, president, at the annual meeting of shareholders.

Earnings to date are on a satisfactory level, even exceeding the returns for the comparative period last year. Irrigation work on a large scale is utilizing more and more power purchased from the company, while the populace, it was stated, is becoming more electrical minded.

Subsidiaries Operate Profitably

Subsidiary companies, St. James Utilities and a power and light business at Port Antonio are operating on a profitable basis; these companies were only acquired in the past year.

Earnings of Jamaica Public Service in 1930 showed an increase over those of 1929. Higher interest charges, however, and a larger provision for retirement reserve reduced earnings per share to $2.01, as compared to $2.05 in 1929.

Net earnings for the first three months of the current year show an increase of over $15,000. Lower operating expenses have played an important part in strengthening the company's position.

Officers elected at the annual meeting include: Russell D. Bell, president; Marcy L. Sperry, vice-president; John T. G. Nichols, treasurer; Frederick T. Iddings, secretary; Alfred S. Nichols, vice-president and manager of operating subsidiary in Kingston, Jamaica.

Higher Receipts of Grain Augur Well for C. S. L.

From Our Own Correspondent

MONTREAL.—Greater activity in operations of Canada Steamship Lines is seen in increased receipts of water-borne grain at the Port of Montreal this year. At May 7 receipts by water totalled 5,815,783 bushels as compared with 2,513,635 bushels at the same date in the previous year.

Earlier navigation has played a part in this total, but officials of the company expressed some optimism at the annual meeting held recently. It was pointed out that contracts for the transportation of 5,000,000 bushels were on hand and that bank loans had been reduced by $875,000 from the same date of the previous year.

Further, the important point was made that economies in force had reduced the net loss in the first quarter of 1931 to $585,000 as compared with $726,000 in the first three months of 1930. The company, it must be remembered, has no earnings during the first quarter of the year. There are now 68 boats in commission and 19 passenger ships.

It is Easy to Exchange Victory Loan Bonds—

If You Do It This Way

It is only necessary to mail, telephone or telegraph to us (at our expense) a memorandum of your holdings of Victory Bonds due in 1931, 1932, 1933 or 1934. We shall attend to all the detail of exchanging them for new Conversion Loan Bonds without further expense to you.

You may rely upon our prompt and careful service.

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Dominion of Canada 1931 Conversion Loan

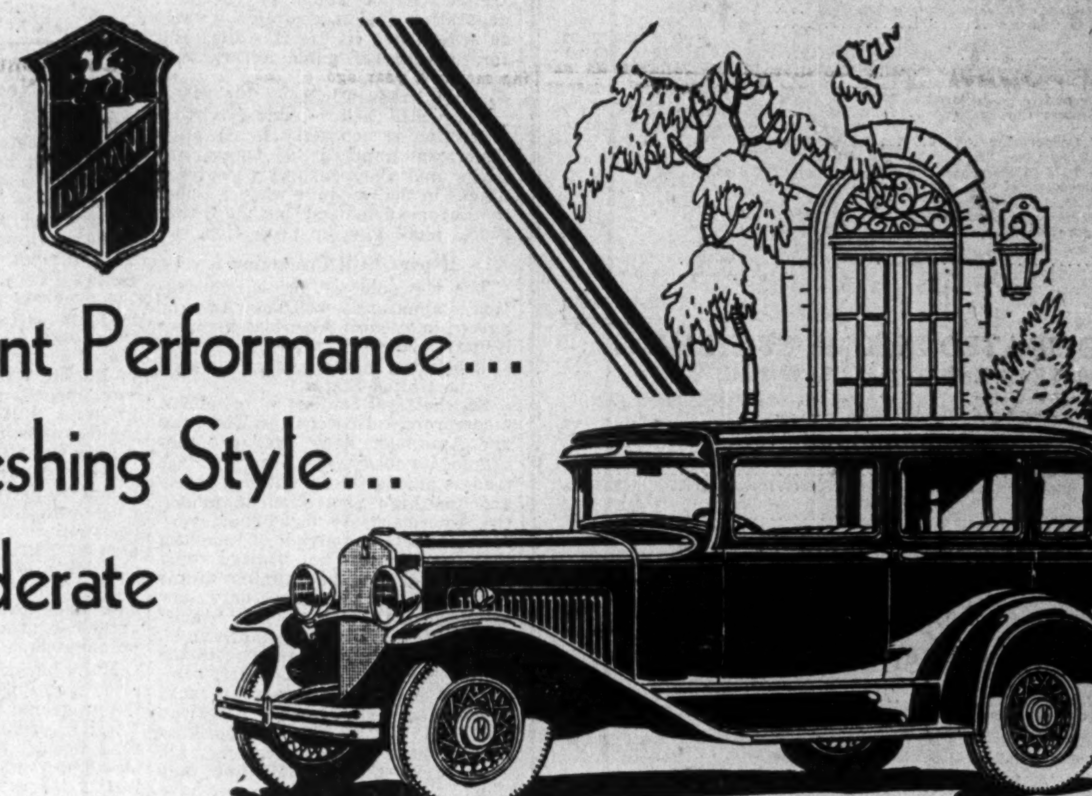
Holders of
DOMINION OF CANADA BONDS
of the following issues

War Loan ......5% ......due 1st October 1931
Renewal Loan 5½% ......due 1st November 1932
Victory Loan 5½% ......due 1st November 1933
Victory Loan 5½% ......due 1st November 1934

We recommend the exchange of bonds of the above maturities into the new Dominion of Canada 4½% Conversion Loan issue of 1931.

We will appreciate the privilege of looking after the details of this exchange for you through this office or any of our branches throughout Canada.

NESBITT, THOMSON
and Company Limited
Royal Bank Building, TORONTO
Montreal Quebec Ottawa Hamilton London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver
910



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Refreshing Style...
Moderate Price

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Model 6-14

THE Durant 6-14 ... a quality six ... gives you fine car performance, smoothness, speed and acceleration ... fine car safety and handling ease ... fine car comfort, appearance and completeness of equipment. Its reasonable price makes it easy to buy ... low upkeep cost makes it easy to own.

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GINGER ALE

Like
a rare old
WINE

Lunch—these busy days—takes on new interest when there's a cool, emerald bottle of Canada Dry—the Champagne of Ginger Ales—gracing the table.

For it's a charming companion if you dine alone—a gay and sparkling partner if you are entertaining a business associate. Like a rare vintage it invites you to taste its wonderful flavour. And it gives a zest to your appetite—a sense of completeness to the whole meal—that you'll appreciate more as the afternoon goes on.

Order Canada Dry with your luncheon. A purer, more welcome drink is hard to find.

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Early Seeding in Maritimes

Several potato growers in central parts of the Saint John Valley and Carleton County have begun seeding for early varieties. This is one of the earliest plantings on record, being about three weeks ahead of the average.

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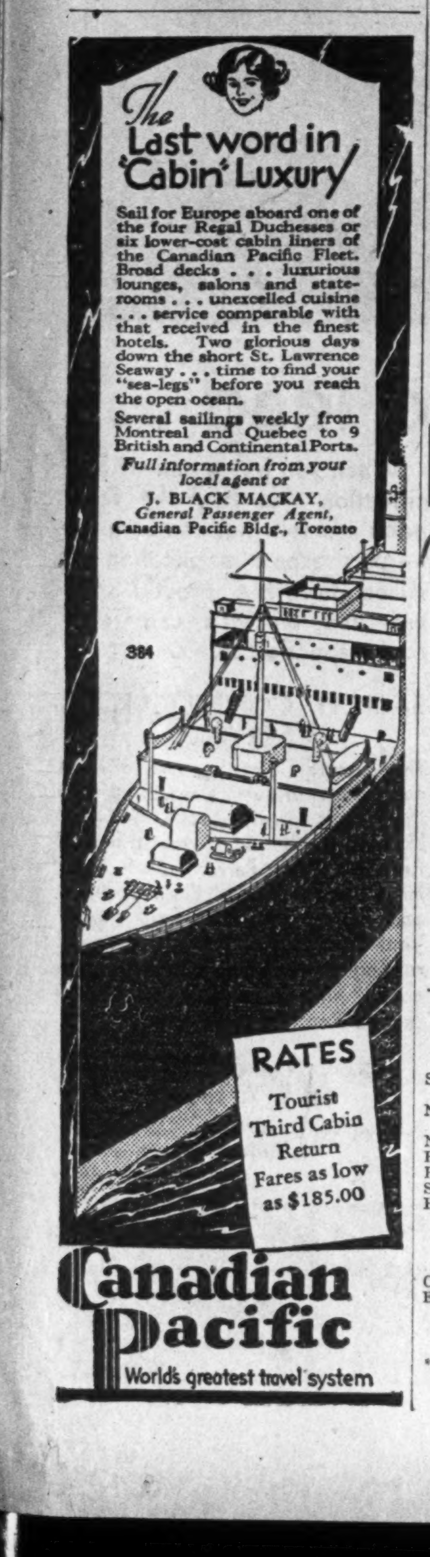
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News of Investment Markets

PREDICT LOWER INTEREST RATES ON HIGH GRADES

Would Make Present Refunding Issues Even More Attractive

TERMS ARE GOOD

Chief Objection to Exchange Appears to be Hope That Yields Go Higher

The Dominion of Canada conversion loan has, for the time being, totally eclipsed the rest of the Canadian bond market, and investment bankers and the bond departments of the chartered banks are concentrating with success on the exchange of the new Federal obligations for the soon-to-be maturing war loans. Coincident with the announcement of the exact terms of the refunding bonds the Canadian market took on a firmer tone, particularly in Dominion and Dominion guaranteed issues.

New municipal financing in prospect is negligible in amount, but with the completion of the new Federal issue an increase in volume can be expected prior to the summer months when volume usually becomes seasonally lower. Hamilton has sold bond issues totalling $2,503,233 on a cost basis of some 4.46 per cent, an indication that high grade municipals remain in good demand. In May, 1930, that city financed on a 5.08 per cent basis.

Gamble on Future

Aside from institutional investors, who may desire to keep a certain portion of their holdings in short-term maturities, the chief objection to exchanging for the new conversion loans appear to be solely on the basis that by holding off, the trend of interest rates in the next year or so may enable the investor to secure even better terms than the Government now offers. This is thought to be highly improbable. In some cases, investors prefer to place their money in mortgages and secure higher yields, but such are in a decided minority.

Generally speaking the holders of Federal issues maturing soon have been pretty thoroughly canvassed by bond salesmen in the past year or so with a view to switching. Those who have retained their holdings may be presumed to be investors considering security above all else unless it be the tax-exempt feature. On the basis of this hypothesis most holders will be willing to exchange soon or late. While the returns for the first two days of the campaign are stated to have been $225,000,000 it is uncertain as to how much of this came from the large institutions. Individual investors have shown some inclination to delay and the returns from this class of bond holder will probably come gradually.

To the argument that by not exchanging at this time the investor may secure more favorable terms at a later date, the attitude of the banks and the investment bankers as expressed, not only at the present time but during the past two years, would appear to be an insurmountable answer. Informed opinion holds that bond yields are due to go still lower and the general trend since 1921 has been back toward the pre-war levels.

While the trend from the beginning of the century to 1914 was gradually upwards, at no time in that period were interest rates higher than 4 per cent on high grade bonds. The war caused a substantial increase which terminated with a peak of some 7 per cent in 1921 and since that year rates have fallen off, with the exception of 1929. Even should a bull market in stocks materialize, and there appears to be no immediate prospect of this, the trend of bond prices to higher levels would not be affected immediately.

Over the past 30 years bond prices have continued to rise after a period of recovery had set in following a period of depression. The depression of bond prices in 1921, it is pointed out, was followed by a general upward trend of bond prices that continued for seven years. It is admitted that the present terms offered for conversion are highly satisfactory for Canadian investors in view of the terms that the Government could have secured if the new bonds had been sold in the New York market. Investment bankers are therefore urging their clients to take advantage of these terms at the present time rather than gamble on higher yields at a later date.

Canada Housing Bond Interest Passed May 1

Payment of interest, due May 1, on the 6½ per cent first mortgage bonds of Canada Housing Corp., subsidiary of Canadian Terminal System Ltd. has been passed and action by bondholders will be subject to action to be taken at the meeting of bondholders of the parent company to be held in Montreal on May 28. The first mortgage bonds will be in default if interest is not paid within three months.

Canada Housing Corp. owns 76 houses in Toronto of which 75 are reported to be rented at the present time. The funded debt of the company consists of 6½ per cent first mortgage bonds, due, May 1, 1943, of which there is $139,000 outstanding; 6 per cent first mortgage bonds, due February 1, 1948, of which $240,000 is outstanding and held by Canadian Terminal System Ltd. or its subsidiaries, and 6 per cent debentures, due March 1, 1948, of which $150,000 is outstanding. Interest is in arrears on the debentures since March 1.

Control of the company is held by Canadian Terminal System Ltd. which owns 4,500 shares of the 5,000 common shares of $100 par value outstanding. The parent company is in arrears of interest on its entire funded debt.

City Guarantees Bonds Issued by Power Company

Guaranteed as to principal and interest by the city of Merritt, B.C., an offering is being made in Western Canada of $125,000 5 per cent first mortgage bonds, due 1941, of Southern Interior Light & Power Co. The company owns and operates a power plant which supplies Merritt with light and power under a ten year franchise, and also serves the surrounding district.

The company also owns a lumber mill and timber limits. In addition to the unconditional guarantee of the city the bonds are secured by a first mortgage on assets of the company amounting to $305,106.

Details of the issue are as follows:

$125,000
Southern Interior Light & Power Ltd.
5% 1st mortgage bonds, due 1941

Guaranteed unconditionally as to principal and interest by the city of Merritt, B.C.

Interest Payable: Semi-annually, June and Dec. 1 at the Bank of Toronto, in Vancouver, Victoria, Calgary, Edmonton, Toronto and Merritt.

Denominations: $500, $1,000; coupon bonds registerable as to principal only.

Trustee: Montreal Trust Co.

Redeemable: In whole or in part on any interest date on 60 days' notice at 102 to June 1, 1936, and thereafter to maturity at 101.

Sinking Fund: Commencing July 17, 1931, the company will pay $1,349 monthly to the trustee to pay interest and sinking fund requirements.

Offer: $125,000, April, 1931, at 96, to yield over 5½ per cent, by Royal Financial Corp.

Canada Northern Power Output Records Increase

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports an electrical energy output in February last of 30,586,120 kilowatt hours. This compares with 27,849,950 during the corresponding month a year ago.

Cumulative production for the year ended February, 1930, totalled 372,573,810 kilowatt hours, as against 348,769,900 kilowatt hours in the preceding twelve months period.

Bond Tenders

7 o'clock, May 16, Villages of Sacre-Coeur de Jesus, East Broughton—$100,000, 5 per cent bonds, dated May 1, 1931, redeemable serially from May 1, 1932, to May 1, 1971. Capital and interest payable at Banque Nationale at East Broughton, Thetford Mines, Quebec and Montreal. J. E. Perron, sec.-treas.

10 o'clock, May 19, Parish of Sacre Coeur de Jesus, County of Saguenay—$7,000, 5 per cent debentures, dated May 1, 1930, redeemable serially from May 1, 1931 to May 1, 1955. Capital and interest payable at Banque Nationale at Quebec and la Malbaie. R. Savard, sec.-treas.

4 o'clock, May 26, Cap de la Madeleine—$40,000. 5 per cent road bonds, dated Feb. 2, 1931, redeemable serially from May 2, 1932, to Feb. 2, 1961. Capital and interest payable at Banque Nationale at Montreal, Quebec, Three Rivers or Cap de la Madeleine. R. Morissette, clerk.

4 o'clock, June 2, La Tuque, Que.—$9,000, 5 per cent sewer and paving bonds redeemable serially from March 1, 1932, to March 1, 1951; capital and interest payable at Banque Nationale at Quebec or Montreal; $75,000, 5 per cent paving, aqueduct and sewer bonds, due serially from May 1, 1932 to May 1, 1951. Capital and interest payable at Banque Nationale at Quebec or Montreal. P. E. Qiberdy, sec.-treas.

5 p.m., May 29, Peterborough, Ont.—$347,000 4½ per cent sinking fund debentures dated June 30, 1931 and payable June 30, 1951. Payable at Peterborough City Trust Co. F. Adams, city treasurer.

Authorizations granted by the Board of Utility Commissioners of Alberta, March 28 to April 17: Waskasoo, No. 686, $1,400; Royce, No. 4502, $1,200.

Bond Sales

HAMILTON, ONT.

The Bank of Toronto has been awarded $2,503,233 4½ per cent and 4¾ per cent debentures of Hamilton, Ont., maturing in installments up to 1961 at 100.71; cost basis approximately 4.50 per cent. Bids are reported as follows:

1 Bank of Toronto	100.71
2 Wood, Gundy & Co., Royal Bank	100.617
3 J. L. Graham & Co.	100.54
4 Gairdner & Co., Nesbitt, Thomson & Co., C. H. Burgess & Co., Dominion Bank	100.332
5 Canadian Bank of Commerce, McLeod, Young, Weir & Co., Bell, Gouinlock & Co., Dyment, Anderson & Co., Fry, Mills, Spence & Co.	100.291
6 A. E. Ames & Co., Dominion Securities Corp., Bank of Nova Scotia, Bank of Montreal	100.027
7 Matthews & Co., Imperial Bank, R. A. Daly & Co., Hanson Bros., Greenshields & Co.	99.86

VILLAGE OF COLBORNE, ONT.

C. H. Burgess & Co. has been awarded $55,000 5 per cent 30-installment debentures of the Village of Colborne, Ont. at 101.01; cost basis 4.91 per cent. Bids for the issue were as follows:

1 C. H. Burgess & Co.	101.01
2 Matthews & Co.	100.871
3 Dyment, Anderson & Co.	100.45
4 Wood, Gundy & Co.	100.30
5 Gairdner & Co.	100.25

EDSON, ALTA.

Wood, Gundy & Co. purchased, in March, 1931, $65,000 6 per cent 20-installment debentures of the town of Edson, Alta. at 98; cost basis 6.25 per cent.

RIMOUSKI, QUE.

The award of $55,000 serial debentures of Rimouski, Que. for which tenders were asked for May 4 has been split $25,000 5 per cent 10 year serial debentures being awarded to Banque Provinciale du Canada and Geoffrion & Cie at 100 and $30,000 5 per cent 20-year serial debentures being awarded to A. Bernier at 99.50; cost basis 5.03 per cent. Bids for the two blocks were as follows:

	10-yr. serial	20-yr. serial
Provincial Bank of Canada, Geoffrion & Co.	100.00	99.50
A. Bernier	....	99.75
Dube, Leblond & Co.	98.66	98.66
Banque Canadienne Nationale	99.20	98.08
Corp. de Prets de Quebec	98.80	98.35
Hamel, Fugere & Co.	99.05	99.05
E. Savard, Ltd., Credit Anglo-Francais Ltd.	98.89	98.89
L. G. Beaubien & Co.	99.14	99.14
G. H. Burgess & Co.	99.273	99.273
A. S. McNichols & Co.	99.17	99.17

SHAWINIGAN FALLS R.C. SCHOOLS

McLeod, Young, Weir & Co. has been awarded $60,000 5 per cent 30-year serial bonds, dated May 1, 1931, of the Roman Catholic School Commission of Shawinigan Falls, Que. at 101.04; cost basis 4.91 per cent. Bids for the issue were as follows:

1 McLeod, Young, Weir & Co.	101.04
2 Ernest Savard Ltd., Credit Anglo-Francais Ltd.	100.87
3 Mead & Co.	100.76
4 Dominion Securities Corp.	100.27
5 Banque Canadienne Nationale	100.26
6 A. S. McNichols & Co.	99.77
7 L. G. Beaubien & Co.	99.47

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone	4½%	1962	†Nov. 1	105
Brazeau Collieries	7%	1935	*July 1	105
Cascade Water Power	4½%	1940	†May 1	100
Buffalo & Ft. Erie Pub. Bridge	*7%	1955	June 1	107
Wabasso Cotton	*6%	1947	June 1	105
West Kootenay Pr.	6%	1940	Sept. 1	110
Do.	6%	1943	June 15	104
Ogilvy Realty	6½%	1952	June 1	106
Imperial Realty	*6%	1945	July 1	103
B.C. Electric	5%	1944	June 15	100
Nashwaak Pulp	*6%	1936	July 1	100
Mont Louis Seigniory	*6%	1944	June 1	...
Stock Issues—				
Standard Brands	*7% pref. "A"		July 1	120
Foreign Issues—				
Kingdom of Denmark	*5%	1955	Aug. 1	100
Hungarian Land Mtg. Institute	7½%	....	July 1	100
Rep. of Panama	5½%	1953	June 1	102½

*Called in part.
†Or before.

McColl-Frontenac Oil Elects New Vice-President

From Our Own Correspondent

MONTREAL.—McColl-Frontenac Oil Co. announce the appointment of Col. Wm. A. Bishop, as vice-president of the company, with headquarters in Montreal. For most of the last eight years he has been living in London, England.

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Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net income 1930	Net income 1929	Common share earnings 1930	Common share earnings 1929	Curr: divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
B. C. Packers	Feb. 28	d1,266,038	230,499	...	...	...	d1,474,888	25,077	1	...	...
Can. Canners	Feb. 28	610,765	1,247,629	b.07	b4.45	.50	128,826	614,078	10	...	5.00
Can. Vickers	Feb. 28	204,106	d200,040	1.21	...	...	204,106	d200,040	3	2½	...
Collingwood Terminals	Dec. 31	5,672	9,360	...	.04	...	d5,018	995	...	...	...
De Forest Crosley	Mar. 31	562,554	223,994	4.00	1.61	80+20c	450,760	223,994	18	4½	4.44
Dodge Manfg.	Jan. 31	3,413	a64,192	1.75	a3.57	2.00	d4,587	d28,192	...	...	...
Economic Inv. Trust	Mar. 31	109,133	132,218	2.73	3.31	2.50	9,320	32,440	37	13½	6.76
Goderich Elev. & Transit	Mar. 31	108,978	104,781	1.29	1.25	1.40	d8,630	d12,827	...	...	...
Granby Cons. Mining	Dec. 31	d482,624	2,021,412	...	4.49	e2.00	d486,624	2,021,412	...	...	...
Hollinger Mines	Dec. 31	3,963,728	3,638,606	.81	.74	.70	519,728	440,606	8	10	8.75
Imperial Oil	Dec. 31	19,020,360	26,350,309	.72	.99	50+50c	f5,729,950	f13,118,936	13	18	3.85
Langley's Ltd.	Dec. 31	86,792	134,578	2.15	5.22	...	44,792	115,304	...	...	...
Mining Corp.	Dec. 31	d6,090,105	430,826	...	...	...	d6,090,105	430,826	2¼	...	...
Quebec Tel. & Pr. "A"	Dec. 31	32,644	41,821	.90	1.17	...	2,688	d10,738	...	...	...
Wood, Alex. & James	Jan. 31	47,020	96,119	...	...	...	1,520	43,297	...	...	...

a—Period of 13 mos. b—Taking into consideration dividend provisions governing 2nd pref. and common shares. d—Loss or deficit. e—Return of capital, regular rate, paid out of surplus. f—After estimate of dividends paid; not actually shown in statement. The bonus paid 1930, approx. $13,278,750, paid out of surplus.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Shawinigan Falls R.C. Schools	May 8	McLeod, Young, Weir & Co.	5%	30-yr. ser.	$60,000	101.04	4.91%
North Vancouver	May	Royal Financial Corp.	5%	15-yr.	18,500	99.317	5.07%
			5%	20-yr.	31,600		
Niagara Falls	May	Gairdner & Co.	5%	15-ins.	130,000	.....	.....
Rimouski, Que.	May	Provincial Bank and Geoffrion & Co.	5%	10-yr. ser.	25,000	100	5%
Rimouski, Que.	May	A. Bernier	5%	20-yr. ser.	30,000	99.75	5.03%
Shawinigan Falls	May	Hanniford, Birks	5%	40-yr. ser.	307,500	103.09	4.75%
Hamilton	May 11	Bank of Toronto	4½%	1941	747,706	100.71	..50%
			4½%	1950	244,110		
			4½%	1961	601,417		
			4¾%	1950	910,000		
Colborne, Ont., Village of	May	C. H. Burgess & Co.	5%	30-ins.	55,000	101.01	4.91
Edson, Alta.	March	Wood, Gundy & Co.	5%	20-ins.	65,000	98	6.25%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
*Southern Interior Light & Power Ltd.	Apr. 28	Royal Financial Corp.	5%	1941	125,000	96.00	5½%

*Guaranteed as to principal and interest by the city of Merritt, B.C.

BELD.-CORTICELLI PROFITS REFLECT DECLINE IN SALES

Competition in Hosiery Narrows Margin of Profit

From Our Own Correspondent

MONTREAL.—Sales of Belding-Corticelli Ltd. during the current fiscal year which ends November 30, 1931, have shown a tendency to decline from last year's levels. The company is the largest factor in the Canadian silk industry and business conditions have found some reflection in operations.

With lower sales it is understood that profits have declined to some extent. Keen competition exists among silk manufacturers today; the company's silk hosiery department which has played an important part in activities in recent years is faced with unusually low prices.

Over Production Apparent

In the past two years several silk plants have been established and the consequent tendency toward overproduction has brought a situation in the silk hosiery business where there is only the smallest margin of profit in sales.

The company's export business is stated to be fairly satisfactory. Belding-Corticelli has adopted aggressive measures in the last two years to secure a greater share in this market and has set aside a certain sum from earnings each year to provide for development and advertising in this division.

Earnings Down Last Year

Net earnings in the last fiscal year showed a decline from those of the previous period at $321,112. After all deductions, which included provision for sinking fund, reserve for employees and a reserve for advertising (export market), there remained a net profit of $121,163.

This was sufficient to cover preferred and common dividends by a margin of $8,127. In the previous year surplus for the year was $60,646. The company occupied a strong balance sheet position at the end of the last fiscal year.

The common shares are on a dividend basis of 7 per cent; earnings last year were equal to $8.08 a share. The stock is not actively traded in; current quotations are around 90 at which price they yield nearly 8 per cent.

World Dairy Congress To Be Held in Denmark

The Ninth International Dairy Congress will be held at Copenhagen, Denmark, from July 14 to 17. Previous congresses arranged by the International Dairy Federation were held at Brussels (1903), Paris (1905), Hague (1907), Budapest (1909), Stockholm (1911), Berne (1914), Paris (1926) and London (1928). In addition to these congresses arranged by the International Federation, a similar congress was held in 1923 in U. S. A., arranged by the World Dairy Congress Association in co-operation with the International Dairy Federation.

The International Dairy Federation was established in Brussels in connection with the first International Dairy Congress. The object of the Federation is to secure the co-operation of dairy organizations in all countries in promoting the technical and scientific development of the dairy industry throughout the world.

The Congress will be divided into five conferences as follows:

1. Dairy cattle breeding and milk production.
2. Chemistry, bacteriology and hygiene.
3. Technique, industry and trade.
4. Organization, legislation and control.
5. Tropical dairy industry.

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Renewal Loan 5½% Bonds, due November 1, 1932
Victory Loan .5½% Bonds, due November 1, 1933
Victory Loan .5½% Bonds, due November 1, 1934

Applications to exchange bonds of these issues for bonds of the Dominion of Canada 1931 Conversion Loan may be sent to us by letter or by telegram or telephone. We will be pleased to file official applications and to arrange the details of conversion without expense to bondholders.

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TORONTO, MAY 14, 1931

TURN IN YOUR BONDS

WITH Federal Reserve rates at the lowest point in history, stimulus has been provided for the bond market. Canadian holders of war and post-war government obligations are offered a really attractive opportunity, when they are invited to reinvest their funds for a minimum period of fifteen years at 4½ per cent interest. There should be no hesitation on the part of any one to exchange Victory bond holdings for the new Dominion of Canada refunding bonds now offered.

Canada has never failed in any piece of governmental financing undertaken since we began largely to look after our own governmental borrowing needs at home. It is not likely that the present refinancing operation will fall through in any respect. The method adopted for refunding early maturing loans, of offering new bonds of a longer term and at an interest yield that is in line with current money rates, is one calculated to facilitate the reinvestment of these funds with the least disturbance to investors generally and to business and finance. It offers, too, the prospect of an annual saving of about $10,000,000 in interest charges, which will not all be noted for three years yet, but which will eventually aid in tax reduction and in the freeing of capital for investment.

The considerable discussions that have taken place on the subject of Canada's problem of refinancing have overemphasized the difficulties in the way of the transaction. Despite depression, there is still ample mobile capital in Canada to look after governmental needs and it is to be hoped that the present operation will fully prove that.

CANADA'S INTEREST IN SILVER PROBLEM

ALTHOUGH the International Chamber of Commerce passed a resolution, somewhat pious in its hopes, asking for a world conference on silver stabilization, there is no assurance that such a conference will be held. No nation was designated to call such a conference. Great Britain, despite its extensive trade interests in China and other countries of the Far East, will probably not take the leadership for it does not wish to interrupt the working out of its scheme of monetary reform for India, now a silver country, that is trying to get on a gold basis, and it does not want to curtail India's silver exports. If the United States took the lead this might throw such a conference under the influence of radical mine-state senators who still keep alive 16 to 1 agitation. In other countries there are similar internal political considerations.

That silver is an underlying problem of world economics today, influencing not merely the prosperity of Canadian silver mines but all producers who have in the past enjoyed a market in the Far East, is beyond question. The fall in wheat prices erased many millions of dollars from the value of the accumulated stocks of that commodity in Canada and by reducing the margin of profit of our Western wheat producers, impaired our national income. The decline in silver did more, and in some countries has had much more far-reaching effects. Practically all of the savings of the people of China and India are in the form of silver—billions of ounces of it. Savings banks are not well organized in these more primitive countries. When silver is selling at around 28 cents an ounce the effect on these countries is the same as if all the savings deposits in Canadian banks were to lose between a half and three-quarters of their value. Because Canada is on a gold basis, money saved in Canada has a higher purchasing value than when it was earned. But money that has been saved in the East has lost much of its value.

There are two very conflicting schools of thought on this silver question. There are those who view silver as a commodity just like wheat, copper, or any other similar product. Among those holding this view there are a number who believe that measures to stabilize silver prices can properly be undertaken but the weight of opinion among economists, who consider silver as a commodity, would properly be opposed to stabilization measures just as it would be opposed to artificial measures to maintain or raise the price of wheat or copper. The other school of thought recognizes that, to China and India and some other countries, silver is currency and the basis of money values. Stabilization of a currency may properly be attempted where stabilization of a commodity would be unwise.

It seems to be fairly generally admitted that the silver countries will have to learn the lesson of their unfortunate experience and eventually go on a gold basis. To go on a gold basis can not restore the purchasing power of existing silver stocks and unless the unexpected happens those who have hoarded silver have permanently lost much of what they have saved. To go on a gold basis, the silver countries will have to accumulate stocks of gold and these will have to be placed at their disposal by other countries. But the world at large is already short of gold. Before China and India get on a gold basis they may prove to be disturbing factors in world export trade. Their efforts to build up balances abroad may not be entirely pleasant to producers of other countries.

It is amazing how many panaceas have been presented for the solution of the silver problem and how glibly half-informed persons tell how the difficulties in the situation are to be gotten over. Their self-assurance is matched only by the insistence of those who proclaim that something ought to be done about it. Holding a world conference may not do anything about it but it might further crystallize the existing conflicting views and tend to illuminate the imperfections and impracticalities of some of these solutions offered.

Canada would no doubt be welcome at an international conference if one were held and in view of our large production of silver and our important markets in the Far East the Canadian Government should have at least an observer at the conference. In the meantime, it would be well to avoid committing this country to any such schemes as the loan to China that was under discussion some months ago and which, it seems, we almost leaped into, and to keep out of bi-metallist plans to fix the relation of silver to gold until proof has been advanced that such plans would be practical and valuable.

"PLOUGHING BACK" vs. HIGHER DIVIDENDS

FORMER ideas in investment and finance are undergoing scrutiny. Possibly most of them will survive the enforced analysis of a period of dubitancy but to do that they will require to demonstrate their worth.

One question under discussion is that of the value of ploughing back earnings in an industrial company. No one questions the advisability of a company saving out of earnings the capital necessary for moderate normal expansion and for essential business reserves. But the process went to extremes and many companies paid out in dividends only a fifth or a quarter of their earnings during the boom period. Investors, who asked higher returns, were told that if they did not get the earnings in the form of dividends they got them in higher values for their shares. It is now apparent that many companies used earnings to build new plants and install new machinery that, according to present conditions, are surplus capacity unlikely to be profitably used for some years to come. In such cases, the earnings that might have been paid to shareholders as dividends were simply used to make unwise investments. Many shareholders feel that they would have had more fun making their own unwise speculations.

Partially, the policy of ploughing back earnings is due to the practice prevalent in Canada and the United States of fixing dividend rates as nearly as possible to a figure that can be maintained year in and year out. Investors on this continent feel that stability of dividend return is evidence of strength in a company. When a company pays less one year than in the previous year, it is regarded as having cut its dividend. This view scarcely prevails at all in Britain or on the continent. Dividend of Hudson's Bay Company, for instance, has always fluctuated with earnings, varying as much as 25 per cent of capital between two succeeding years. The Englishman looks beyond fluctuating dividends to determine the basic value of an investment.

Ploughing back earnings is still a good habit, one that investors will like, but they may demand that the ploughing back be reasonable in extent and that the money be better used by the company than it could be used by the shareholders.

TOURISTS AND CIGARETTES

CITIZENS of the United States spend more money touring in Canada than in any other country. Last year they spent $280,000,000, the previous year, $308,000,000, and in the past seven years they have brought something like $1,600,000,000 of new revenue into this country, according to Dominion Bureau of Statistics figures. Unofficially, this is said to be between 30 and 40 per cent of total U. S. tourist expenditures abroad.

It is obvious that Canada should be doing everything in her power to encourage and foster such a valuable "business," yet within the past few weeks word has been received from a prominent Detroit business man that so thoroughly and rigid has the customs inspection at the border become, that tourists and those who cross the border regularly on business are becoming annoyed and even indignant at the way in which they are scrutinized.

The attempt to put down cigarette smuggling is leading to some annoyances. Although Canadian customs officials are said to be courteous almost to the point of being apologetic, word has apparently gone forward from Ottawa that smuggling of cigarettes across the border must stop, with the result that officials are no longer allowed to use their discretion but must institute a rigorous search of the automobiles and personages even of prominent American business men who commute regularly across the border to transact business in Canada.

Naturally with the high tariff barrier that exists against Canadian cigarettes a careful watch must be kept if the Canadian impost is to be observed, but with the tourist season just getting under way there is a real danger that Canada will do herself far more harm than good unless customs officials are once more allowed to use their own good judgment and common sense rather than be forced to observe a rigid and probably unnecessary ruling which will, in the majority of cases, only breed annoyance and indignation on the part of our visitors.

CANADA'S CONTRIBUTION TO WORLD GOLD NEEDS

WE ARE getting accustomed to having economists and even engineers discuss the future gold supply of the world without even mentioning Canada. Canada's achievements in the increase of her gold production are slow of recognition. This is probably due to the fact that while we have stepped into second place in gold production we are still a long way behind the country that is first and our potential increase in production does not promise to offset the decline in the production of that country—South Africa. And often, when we find some "authority" discussing gold without mentioning Canada we find that he is a propagandist for the remonetization of silver and is anxious to paint as blue a picture as possible of the future of gold supply.

So eminent an engineer as John Hays Hammond said last week: "There are certain sections of the world which give promise of a successful future development of gold mines, but they are insignificant even potentially as a factor to compensate for the decreased production of the Rand."

That word "insignificant" annoys Canadians. The Rand has been producing about $200,000,000 of gold annually, and it is forecast by engineers that within the next decade South Africa's production will decline by probably 30 per cent. No field comparable with the Witwatersrand has been discovered in Canada but we are already producing more than $40,000,000 of gold annually which should shortly rise to $50,000,000. We are not filling the void in production but the increase in our output is more than "insignificant."

NOT REPRESENTATIVE OF F. B. I. VIEWS

THE Toronto Globe calls attention to the fact that a British delegate to the recent International Chamber of Commerce Convention in Washington spoke out openly on American tariff policy. This is quite true. The speech was a very fine free trade lecture, doctrinaire and scholarly. It made the Americans present believe that Britain was still firmly attached to free trade. But here is the other side of the story:

The speaker in question was Dr. W. H. Coates, director of Imperial Chemical Industries. The founder of that corporation, Lord Melchett, long before he died, abandoned his free trade ideals in favor of a policy of protection for Great Britain. The present head of Imperial Chemical Industries, Sir Harry McGowan, has also declared for a change of British fiscal policy. Dr. Coates was the official delegate of the Federation of British Industries, yet 96½ per cent of the members of the F. B. I. who voted in a recent referendum, declared for protection in Britain. The majority of the British delegation at the Washington conference stated that while they were free traders in principle they believed Britain ought to adopt protection in self-defence.

EDITORIAL NOTES

If the bootlegger is a chief ally of United States prohibition he has a notable booster in a particular type of salesman or "contact man" whose chief ability seems to lie in the direction of knowing where liquor can be gotten.

* * *

Ontario seems no nearer to using Nova Scotia coal today than in 1924 when the question was prominently debated. But a Nova Scotia boycott of Ontario goods would provide no curative balm for this seven years' hitch.

* * *

A New York Times heading says "Lang Defaults Payments Here." It does not say "New South Wales defaults." In view of open hostility in Australia to the action of the state premier it may be that blaming it on him rather than on the state is really in order.

* * *

No stronger evidence should be required that the British Empire Fair at Buenos Aires was a success than the fact that the United States is already planning a counter-move. This, it is proposed, will take the form of a permanent trade show at Panama.

* * *

Addresses by Sir James Lithgow and Sir Arthur Duckham in Canada are in a language that Canadians understand. They provide practical relief to the more doctrinaire speeches of Sir George Paish and the pertly boyish addresses of young Randolph Churchill.

Calvin Coolidge Says:

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Canadians will be interested in Mr. Coolidge's first two paragraphs since they express what may be regarded as the most widely held American viewpoint on the two important questions of war debts and tariff policy.

WITHOUT considering at all the financial or moral obligation of foreign governments to pay their debts to our government or the obligation of our government to collect them, it is interesting to see what is involved in the argument that the debts should be cancelled to increase trade. Fundamentally this means the most enormous subsidy to foreign commerce that was ever proposed. This has a strange sound in the vocabulary of those who advocate that trade should be free and unrestricted. We would be involved in subsidizing the trade of foreign people out of money collected from our own people.

If this policy is to be adopted, if our taxpayers are to begin paying the taxes of foreign people supposedly in order to increase their power to trade with us, there is no reason to limit the process to those who happen to owe our government. The principle would require a broader application. It would be logical to select all countries where an argument could be made that if our treasury would bear a part of their burden they might enlarge their commerce with us. If we adopted this principle logically we should open our treasury to all the world.

* * *

FOREIGNERS are anxious to sell us merchandise. Whatever some of our own people may think and say, others are all agreed in considering our markets as the most valuable place to sell in the world. Foreign merchants are not attracted with the prospect of trade in some other country. They leave that attraction to us and are solicitous in proposing that we enter some other markets with our goods, which they say we can accomplish by giving up our own markets to their foreign goods.

We admit other countries cannot long buy of us unless they sell to us or to others. But merchandise is not the only medium of trade. We buy many foreign bonds. We buy five or six hundred million dollars worth of tourist travel service in Europe each year.

We always consider that our own people ought to have the first chance in our own markets. We believe that we can promote desirable foreign trade only by keeping ourselves able to buy imports. The suggestion that our tariff be generally lowered, our wages, our foreign debts and living standards be reduced and only our domestic taxes be increased has not appealed to us as a sound method of increasing foreign trade.

REPORTS that the student body of some educational institution has proposed to take over the authority vested by law in the board of trustees and the faculty are no longer novel but they are none the less disquieting.

Charitable and devout persons have made gifts to provide our youth with an opportunity for education. The government has contributed taxes. Parents send their children there often at considerable sacrifice. Some of our best men and women give their services as trustees. The result is a great charity for the benefit of young people. The object is mental and moral discipline through obedience to rules as well as application to study. The whole plan involves submission by the students to duly constituted authority.

Yet every little while these opportunities are ignored and these principles are rejected by a student revolt. The seat of the trouble is back in the home. Real reverence and obedience have not been sufficiently taught there. But institutions of learning cannot for that reason disregard their duty. If they meet their obligations they must train their students to realize that liberty comes only through obedience to law and devotion to truth. To teach that lesson is worth great sacrifice.

* * *

COLUMBIA UNIVERSITY has taken a leading position in relation to intercollegiate athletics. The old system so long in existence has resulted from the conception that such sports were entirely the voluntary and essentially the outside and independent activities of students with which the school had only remote connection. Not the faculty but the students and alumni committee have been in control. This has led to abuses both of commercialism and professionalism. This era of irresponsibility is passing.

By squarely recognizing that such athletics are a part of the official activities and putting them in charge of the faculty under the trustees a unified control has been secured and the chance for abuses has been much reduced. In supporting these activities out of the college treasury instead of out of gate receipts the entire responsibility for them has been assumed by the university.

Physical culture and competitive team sports are officially recognized as legitimate parts of the educational courses. This will give a new standing and dignity to athletics. The university will no longer appear as an adjunct of the football squad. The training of the body and the mind will be coördinated and each stand in its proper relation.

POST-scripts

SHARES of Thrift Stores Ltd., did not respond appreciably to the news that its vice-president had reported the first hole-in-one in the Montreal golfing season. W. E. Dunton was responsible for the achievement; evidently he carries the announced policy of the company into his golf score. While naturally pleased with his accomplishment, Mr. Dunton feels that a hole-in-one at such an early date may have a weakening effect on any odds which may be forthcoming during the rest of the summer. For the edification of golfers, the hole was 135 yards and was carried with a mashie.

WHILE conditions in the past 12 months have tended to increase efficiency of business men, a Montrealer has expressed the opinion that from the ashes of the depression will also rise a race of super-women. He bases this premise on an occurrence which recently took place when he visited an office in Montreal. Here he was forced to make his presence known to the switchboard girl who was deeply engrossed in a book. So intense was her interest in reading that the visitor, sensing a new Edgar Wallace, asked for its name. The girl reluctantly held up the book for inspection. It was George Bernard Shaw's "The Intelligent Woman's Guide to Socialism and Capitalism." In the midst of her charming confusion she also admitted to being a regular subscriber to The Financial Post.

New Books

"Canadian Companies"

"Canadian Companies" by F. W. Wegenast of Toronto is a law book of more than ordinary interest to company executives and those in charge of financial houses.

In these days of growth and expansion of corporations and the wide public interest in company securities a sound working knowledge of the law relating to companies is of intrinsic value to the business men of the community.

"Canadian Companies" is a very complete and exhaustive text on company law. The chapters on organization, meetings, shareholders, directors, officers and agents, capital stock, dividends, bonds and debentures, prospectus, promoters, corporations taxes give a wealth of detailed information on problems of every day interest to those in charge of promoting and controlling companies.

Mr. Wegenast was for some time counsel for the Canadian Manufacturers' Association and he has evidently set out to make his book of practical value to the company official as well as to the lawyer.

The book is well bound in grained Fabrikoid and is published jointly by Burroughs & Company (Eastern) Ltd., of Toronto, and Burroughs & Company Ltd., of Calgary. The price is $20.

"The Nemesis of American Business"

Stuart Chase, who is one of the bad boys of American business writing, always laying about with mighty sweeps of a critical pen and attacking cherished American notions on manufacturing and merchandising, is at it again. He has gathered together in "The Nemesis of American Business" a group of essays that have previously been published in various places. The chief nemesis is apparently overwasteful overproduction and the consequent unemployment crises. But Mr. Chase finds other subjects to tackle, such as the difficulties of remaining true to oneself and true to business at the same time, the noise and confusion of a mechanist world, the scrapping of men at forty, etc.

One may pick flaws right and left in Mr. Chase's arguments. He seldom presents more than one side of any story fully, glossing over the other side. He is something of an Utopian and as such has the usual distaste for things as they are. Nevertheless, Mr. Chase has a following and it is largely concentrated among the very men who are the chief sponsors (and at the same time the chief victims) of the business machinery he lampoons and harpoons. The fact that business men read Mr. Chase so avidly shows that the world has hopes of getting better, of doing things more efficiently in a human sense. It is a stimulating critical book even when it makes the reader a bit angry.

"The Nemesis of American Business" is published by MacMillans in Canada at $2.

"Stop Me If You've Heard This One"

A man was stranded on an unknown island. He was afraid of cannibals, so he moved very cautiously. As he was climbing up a small hill he heard a voice: "Who in hell trumped my ace?" the man lifted his eyes to the sky above and said: "Thank Heaven there are Christians on this island."

C. P. R. Lays New Rails

Laying of 150 miles of 130-pound steel on the main line of the Canadian Pacific Railway between Revelstoke and Field is under way, according to D. C. Coleman, vice-president of western lines. The railway company's construction department will be engaged on the work all summer and it is estimated about 400 men will be employed.

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Concerning Your Victory Bonds

We have prepared a pamphlet discussing the terms of the Dominion of Canada 1931 Conversion Loan from the standpoint of present holders of Victory Loan Bonds. The terms of the new Loan, tax-free features, market prices of all Government bonds now outstanding, etc., are presented.

We shall be pleased to send a copy of this information to any Victory Loan bondholder upon request.

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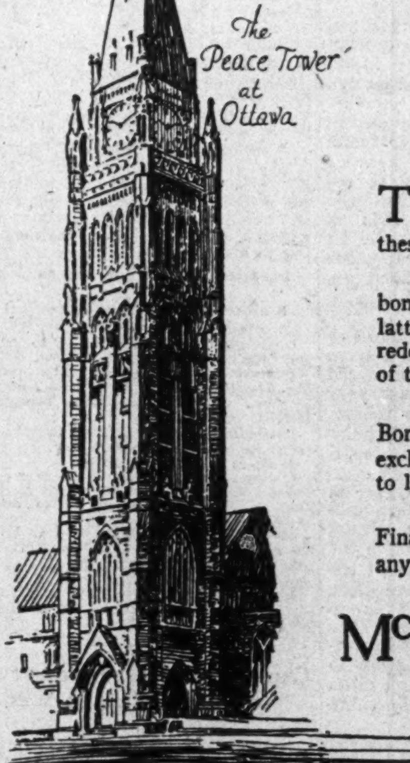
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Send us particulars of your Victory and War Loan Bonds maturing in 1931, 1932, 1933 and 1934, for exchange into this desirable issue, and we shall be pleased to look after all details of conversion for you.

We advise immediate action as the Minister of Finance reserves the right to close the subscription books any time on or before May 23rd.

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Barrett was first to bond flashings.

Barrett was first to establish an organization of Approved Roofers — a group of the outstanding roofing contractors.

The consistent leadership characteristic of The Barrett Company, Ltd., has always been and will continue to be an assurance of satisfaction to Barrett customers.

When you buy a Barrett Specification you buy the finest pitch and felt that can be made — plus expert application by skilled Barrett Approved Roofers, and Barrett's unmatched roof inspection service.

BARRETT COMPLETE ROOF SERVICE

The Barrett Company, Ltd. offers a complete roof service which includes the famous Barrett Specification Roof (Bonded for 20 and 15 years); Barrett Red Star Roofs; Barrett S. I. S. Roofings; Barrett Bonded Flashing Blocks and Forms; and Holt Roof Leader Vent Connections. For advice on any roofing or water-proofing problem, consult with us or the Barrett Approved Roofer nearest you.

The Barrett Company
LIMITED
Montreal Toronto Winnipeg
Vancouver

Barrett Specification Roofs

Business Conditions in Canada

The Week in Business

A Hopeful Forecast
Canada Leads Conversion Movement
Some Current Statistics
Budget Prospects

A SOUND and somewhat hopeful survey of current business prospects is contained in the quarterly business forecast issued by the Federation of British Industries at London and reviewed elsewhere on this page. Current interest in this association centres around three of its leaders now on a special mission to Canada, while as a background it may be recalled that it was this same quarterly survey which almost alone among the economic and business literature of the world, called definitely the turn in the stock markets which crashed over this continent in the fall of 1929.. That this organization can see improvement in "the domestic situation of the principal industrial countries"; that it believes the worst of the slump is over and that the world price level is showing signs of recovery, is indeed encouraging news, even though the information is tempered with the sane, British warning that "the process of recovery must be slow and premature optimism can only lead to disappointment."

* * *

ANOTHER interesting comment in this same forecast, is the plea that "a large-scale conversion of debt could do much to smooth the way to business revival by accelerating the fall of the long-term rate of interest and thus encouraging the flow of funds into productive investment and enable assistance to be rendered to necessitous markets." No sooner said than done as far as Canada is concerned in view of the fact that we are now in the throes of a billion dollar conversion programme, which, according to Alexander Dana Noyes, of the New York Times, "may indicate the plan which will, in due course, be pursued by the United States treasury." However, the difference in the United States, as Mr. Noyes points out, is that there are no redemptions of long-term United States loans possible for at least nine years to come unless the loans are called. The other prospect, however, in the United States is that the present unwieldy floating debt with recurrent maturity only a few months away, be converted into more permanent government obligations.

* * *

OF CANADIAN business indices, several available during the past week contain some hopeful signs, but whether they indicate any permanent improvement is not yet apparent. In the first place canal traffic for April shows very substantial advances over April, 1930, due in part to the fact that navigation opened 11 days earlier at the upper canals and to a 20-fold increase in wheat shipments, the 1931 figures (Sault Ste. Marie locks), being 15,108,000 bushels as against 737,620 bushels in April, 1930. A similarly good showing has also been made in recent weeks by carloadings which have apparently recovered from their lethargy of January and February and have been showing a slightly more than seasonal upturn in the past three weeks, although still 10 per cent below the corresponding figure for 1930 and 21 per cent below the 1929 level. Still another encouraging figure is the good showing of boot and shoe factories in March, when production of most lines ran 30 to 50 per cent higher than the previous month and nearly 9 per cent higher than at this time a year ago. Total production for the quarter is still 6 per cent below 1930.

* * *

DOUBT still exists as to the exact date of the budget, due to Hon. E. B. Ryckman's illness. Apparently it was originally intended to bring it down on Tuesday May 19, or Thursday, May 21. At any rate the prime minister has promised that under no circumstances will it be delayed as late as June 1.

GROSS REVENUE FROM FARMING IS DOWN 24 P.C.

Value of Field Crops in 1930 Was 33.4 p.c. Under Value in 1929

Total gross agricultural revenue of Canada during 1930 is estimated at $1,240,470,000, by the Dominion Bureau of Statistics, a decrease of 24 per cent from the revised estimate for 1929, which is $1,631,124,000. The largest declines are noted in field crops, farm animals and poultry and eggs, but all other items show decreases with the exception of fur farming, tobacco and clover and grass seed. After deductions from the gross revenue for such items as feed for farm animals, and poultry. seed and unmerchantable grain the preliminary estimate of net agricultural revenue is placed at $820,056,000 for 1930, as compared with $1,034,427,000 for 1929, a drop of 20.6 per cent.

The gross agricultural wealth of Canada is shown at $7,373,559,000, as compared with $7,078,633 in 1929, but this total is in considerable error since the values of lands, buildings and equipment have been carried forward since the last census, without change. Items which enter into this total and which are subject to annual revision show a substantial decrease with the exception of animals on fur farms, which are valued at $27,095,000, as against $19,477,000 in 1929.

Included in the estimate of gross agricultural wealth in 1930 is livestock valued at $687,225,000, as compared with $864,167,000 in 1929; poultry valued at $54,852,000, as compared with $63,854,000 in 1929; and agricultural production valued at $1,240,470,000, as against $1,667,218,000 in 1929.

The major decrease in gross agricultural revenue during 1930 occurred in field crops, which are valued at $631,593,000, as against $948,981,000 in 1929, a drop of 33.4 per cent. Revenue from farm animals dropped to $166,630,000 from $207,317,000, a decrease of 19.6 per cent; poultry and eggs fell to $95,227,000 from $107,664,000, or from 14.3 per cent; and fruits and vegetables gave a revenue of $41,777,000, or almost 10 per cent under the gross revenue of $46,398,000 from this source in 1929.

The gross value of agricultural production by provinces for the past three years is shown as follows:

Estimated Gross Annual Revenue of Canada, By Provinces, 1928-1930
("000" omitted)

	1930	1929	1928
	$	$	$
P. E. I.	19,701	25,976	22,297
N. S.	37,828	43,412	42,080
N. B.	34,214	39,919	34,761
Que.	263,236	313,698	292,772
Ont.	421,242	509,208	517,313
Man.	88,677	119,472	156,452
Sask.	175,546	299,304	409,661
Alta.	150,731	223,246	278,040
B. C.	49,300	56,889	53,644
Total	1,240,470	1,631,124	1,806,020

March Footwear Production Shows Substantial Increase

Production of footwear in March is reported at 1,729,930 pairs as compared with 1,276,965 pairs in February and 1,594,865 pairs in March, 1930. Boots and shoes with leather or fabric uppers showed an increased production of 35 per cent; footwear with felt uppers increased 58 per cent and slippers increased 46 per cent. Shoepacks, larrigans, and moccasins show some decrease in production. The total production for the first quarter of 1931 was 3,991,819 pairs, 6.6 per cent lower than production of 4,274,796 pairs produced in the corresponding period of 1930.

March imports at 86,324 pairs showed an increase of 39,759 pairs over the preceding month but a decrease of 36,822 pairs from imports of March, 1930. Exports in March totalled 2,006 pairs as against 1,053 pairs in February and 9,381 pairs in March, 1930.

Monthly figures of boot and shoe production during the first quarter of 1931, 1930 and 1929 are as follows:

Total Boot and Shoe Production

	1931 Pairs	1930 Pairs	1929 Pairs
Jan.	984,924	1,233,321	1,378,219
Feb.	1,276,965	1,446,610	1,585,378
Mar.	1,729,930	1,594,865	1,712,852
Total	3,991,819	4,274,796	4,676,449

Canada Takes Lead in Debt Conversion

	Canada	United States
Commodity Prices:	Wholesale price index dropped to 74.5 in April from 75.1 in March.	Textiles, copper, finished steel lower taking index down 0.4 to 104.5.
Iron and Steel:	Little new business in prospect. Very quiet summer indicated.	Steel ingot production at 47 p.c. of capacity; pig iron output gained in April.
Foreign Trade:	Possibility of drop in European tariff on wheat should aid Canada.	Total trade with Canada in first quarter was 37.6 p.c. under same period in 1930.
Car Loadings:	Attain 1931 peak despite drop in wheat shipments; 10 p.c. under 1930.	Slightly off in week ended April 25 to 16.2 p.c. under same week in 1930.
Employment:	Building trades quiet; boot and shoe industry reported active.	Industrial activity remains about the same; steel and textiles somewhat slower.
Stock Market:	Tone moderately stronger but lacks impetus; volume is low.	Moderate rallies; lacking volume; move prices to somewhat higher levels.
Credit:	Retail and wholesale trade more active in purely seasonal lines.	Average of commercial paper rates in April lower than in any previous month in 50 years.
Week's Highlight:	Canada leads nations in conversion of war debt into long-term issue at lower rate.	N. Y. Federal Reserve Bank leads in reducing rate on acceptances up to 45 days from 1½ p.c. to 1 3/8 p.c. and rediscount rate from 2 p.c. to 1½ p.c.

Business Outlook Hopeful Says Federation Survey

Worst of Slump Over Thinks F. B. I., But Premature Optimism Unwarranted—Conversion Loans Favored

A perceptible improvement in the domestic situation in the principal industrial countries is reported by the quarterly trade forecast of the Federation of British Industries, issued this week. "While this improvement was due primarily to seasonal causes, says the survey, "it has helped confirm the impression that the worst of the slump is over. Unemployment in industries catering for home consumption has decreased and the world price level has shown some signs of recovery. Apart from this there are not changes to report. We still adhere to the view that the process of recovery must be slow and that premature optimism can only lead to disappointment. An acceleration in the fall of the long-term rate of interest by a large-scale conversion of debt could do much to smooth the way to revival, by encouraging the flow of funds into productive investment and enabling assistance to be rendered to necessitous markets."

Commenting on trade conditions in the leading industrial countries of the world, the survey finds few signs of any loss in the momentum of recession as reflected in the industrial statistics available, but says that a more detailed examination suggests a slight lifting of the depression toward the latter end of the quarter under seasonal influence. Coal production both in Britain and in other producing countries is found to have slumped drastically especially in Germany, while a further falling off in pig iron output was to some extent offset by a definite recovery in steel production. Shipbuilding returns indicate that Britain has suffered disproportionately with the rest of the world, tonnage under construction at the end of March being the lowest since Sept. 1896 and amounting to 693,814 tons; a drop of 215,088 tons since December, 1930, and of 921,179 tons during the past year—the largest fall ever experienced in the period of a year with the single exception of 1922.

Textiles Improve

Conditions in the principal textile trades in Britain have shown some improvement, the volume of exports of cotton piece goods expanding nearly 7 per cent and of woollen and worsted tissues by over 5 per cent. The increase in business in the artificial silk goods has been mainly confined to the home market. Employment has improved but not sufficient to offset the drastic reduction at the end of the year, while overseas trade has continued to fall off both in volume and value.

International wholesale prices, according to the F.B.I. chart, show a slackening in the downward trend—a tendency which reflects the development of greater stability in the second two months. The more sensitive price indicators have recently shown the first upward movement since the summer of 1929. In particular such important international commodities as wool, silk, shellac, hides, and tallow are standing appreciably above their lowest levels. Although average price levels in Germany, U.S.A., France, Italy and Great Britain are from 3 to 6 per cent lower than last year's minima, there has been relative stability since January, particularly in the later weeks.

That this decline is being communicated to the cost of living is indicated by the British Ministry of Labor index of retail prices which fell nearly 10 per cent over the quarter, to which retail food prices contributed 6 per cent. By comparison the recession in retail prices in other industrial countries has been small. France was the outstanding exception to this downward trend, domestic prices continuing to raise.

ROYAL BANK REVIEWS CANADIAN BUSINESS

Monthly Bulletin Will Be Given Wider Distribution

A general improvement in industrial operations throughout Canada, with the exception of British Columbia and Alberta, is reported for April in the current monthly review of Canadian business conditions issued by the Royal Bank. The bulletin in the past has had a restricted circulation but it is stated that the intention is to give it a wider distribution hereafter. The review gives a summary of conditions in agriculture, fishing, forestry, mining, manufacturing and trade in the various economic areas of Canada. Its summary of manufacturing by areas is as follows:

Maritime Provinces—Manufacturing operations continue on a curtailed basis but prospects are reported to be somewhat brighter. Steel ingot production at the Sydney steel plant amounted to 24,280 tons or 71 per cent of the rated capacity. The plate mill completed an order of 1,800 tons of tie plates for the Canadian National Railways within the required time of 14 days. Pig iron production amounted to 16,800 tons. Steel and car plants in New Glasgow report improved conditions with substantial increases in the number employed. Orders on hand should maintain operations until the end of June. The smaller industries are generally working on a part-time basis.

Ontario and Quebec—The manufacturing industry has continued to improve although it is expected that a gradual slowing down may be evident in some lines during the next two months. Textile mills are still well employed, with overtime work in some plants. Conditions are satisfactory in the steel trades, although several plants report that operations are being curtailed. The automobile industry has increased its production in anticipation of spring orders. The tariff changes recently brought into effect in Australia will be of considerable advantage to Canadian automobile manufacturers. Hosiery and silk mills are working on a 24-hour basis. Furniture manufacturers are operating at full time but other wood-working plants are quiet, with little demand for their products.

Prairies and B. C.—A slight improvement is reported in the manufacturing industry in Manitoba and Saskatchewan but the volume in Alberta is reported to be falling off. Flour mills are operating at about half capacity with some improvement reported in demand. Creameries are operating on a better basis than a year ago; wood-working plants are handling only small orders due to lack of building activity and miscellaneous small factories are not busy at present. Current operations in many industries in British Columbia, have shown a general decline in volume during the past month.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1. to date 1931	Cumulative Jan. 1. to date 1930
C. P. R. Gross Earn. (Apr. 30) ..	$ 3,806,000	$ 4,253,000	$ 45,977,000	$ 54,196,000
C. N. R. Gross Earn. (Apr. 30) ..	$ 4,869,579	$ 5,618,137	$ 58,434,769	$ 71,491,757
Car Loadings (May 2)	53,089	58,947	855,014	1,023,610
Common Stock Index (May 7)	87.5	159.3	......	......
	Monthly			
Production—				
Pig Iron, tons (March)	57,110	74,582	139,097	232,261
Steel, tons (March)	99,341	117,487	239,576	339,299
Newsprint, tons (March)	187,005	209,104	534,280	604,559
Automobiles (March)	12,993	20,730	29,353	46,666
Boots and Shoes, pr. (Mar.)	1,729,930	1,594,865	3,991,819	4,274,796
Flour, bbls. (March)	1,168,408	1,219,202	3,290,063	3,438,320
Mineral Production—				
Gold, oz. (February)	195,118	145,436	397,903	299,550
Silver, oz. (February)	2,111,766	1,841,836	4,229,435	3,551,058
Nickel, tons (February)	3,346	3,867	6,597	8,481
Copper, tons (February)	11,485	12,113	22,415	24,581
Lead, tons (February)	9,663	15,930	23,958	27,545
Zinc, tons (February)	10,276	10,343	20,433	19,220
Coal, tons (February)	963,443	1,194,710	2,127,941	2,838,332
Natural gas, M. cu. ft.	2,976,140	3,178,862	6,176,140	7,067,379
Petroleum, bbls. (February)	155,651	89,961	335,362	190,457
Automobile Financing—				
Used Cars (February)	$ 1,405,507	$ 1,629,460	$ 2,692,911	$ 3,368,984
New Cars (February)	$ 874,840	$ 1,514,310	$ 1,784,354	$ 2,623,781
Construction—				
Building Permits (March)	$ 9,906,567	$ 13,356,787	$ 23,346,899	$ 29,493,262
Contracts (April)	$ 22,707,500	$ 48,778,600	$ 96,248,500	$ 139,035,900
Labor—				
Employment Index (April)	99.7	107.8	......	......
Trade—				
Imports (March)	$ 75,529,891	$ 112,901,460	$ 176,937,870	$ 278,575,998
Exports (March)	$ 56,285,683	$ 91,692,391	$ 144,841,248	$ 231,889,535
Imports of Key Products—				
Rubber, lbs. (March)	6,747,761	8,457,139	14,892,291	19,861,134
Cotton, lbs. (March)	10,837,000	10,327,000	26,378,000	28,626,000
Sugar, lbs. (February)	43,569,500	27,376,300	66,686,300	69,001,900
Petroleum, crude, gal. (March)	71,300,000	66,920,000	191,974,995	217,147,433
Coal, tons (February)	830,609	1,310,707	1,623,435	3,078,279
Exports of Key Products—				
Newsprint, tons (March)	200,545	225,251	498,143	588,228
Automobiles, No. (February)	1,853	6,308	6,544	13,585
Wheat, bus. (March)	12,995,567	11,592,476	32,901,222	23,319,356
Wheat flour, bbls. (March)	660,553	680,697	1,367,582	1,664,172
Electric Power—Output—				
M. Kilowatt hours (March)	1,413,875	1,515,465	4,234,189	4,468,371
Population—				
Emigration (March)	606	4,115	2,151	11,353
Immigration (February)	2,413	14,576	5,322	21,905
Finance—				
Failures, No. (Feb.)	188	205	428	466
Failures, Liabilities (Feb.)	$ 4,789,701	$ 4,120,506	$ 8,760,380	$ 12,781,606
Bank Debits (March)	$2,570,410,694	$3,092,042,070	$7,773,648,825	$9,118,488,109
Bond Sales (March)	$ 44,121,000	$ 54,243,497	$ 191,280,970	$ 156,957,974
Insurance sales (March)	$ 46,945,000	$ 50,327,000	$ 128,313,000	$ 142,614,000
Wholesale Prices (1913=100)—				
General Index (March)	75.1	91.8	......	......
Iron and its products	87.8	92.5	......	......
Cottons, raw	62.3	87.1	......	......
Grains	39.7	75.1	......	......
Live stock	81.1	127.6	......	......

Business Briefs

Wheat Stocks in Canada continued to decrease during the week ended May 1. The quantity in store at that date is reported at 158,851,062 bus. as compared with 164,573,149 bus. at the end of the preceding week and 175,965,493 bus. on May 2, 1930.

Car Loadings registered a gain of 5.4 p.c. in the week ended May 2, 1931, as compared with the previous week in which a gain of 3.36 p.c. was shown over the week ended April 18. Loadings of 53,089 cars during the week ended May 2 represent the peak for 1931 to date but this total is 10 p.c. below the corresponding week in 1930. Grain shipments are down slightly in the last week as compared with the week preceding but coal loadings increased some 50 p.c.; coke by 122.5 p.c.; and miscellaneous loadings by 3.7 p.c. Grains are reported in every class of freight except grain and livestock.

Canada's Total Imports in March were valued at $75,381,000, 33.4 per cent under the value of imports in March, 1930. Imports of agricultural and vegetable products dropped 19.1 per cent; animal and animal products, dropped 52 per cent; fibres, textiles and products dropped 34.6 per cent; wood, wood products and paper dropped 28.3 per cent; iron and iron products 45 per cent; non-ferrous metal products 38 per cent; non-metallic mineral products 53.8 per cent; chemicals and allied products 8.1 per cent and miscellaneous commodities 21.4 per cent.

Cement Output in 1930 Valued at $17,713,067

Cement produced during 1930, by 11 plants engaged in its manufacture, totalled 11,032,538 bbls. valued at $17,713,067, as compared with 12,284,081 bbls., valued at $19,337,235 in 1929. Imports amounted to 143,436 bbls. and exports to 198,736 bbls. leaving 10,977,238 bbls. available for consumption. Quebec mills produced 44 per cent of the total production; Ontario produced 36 per cent; Manitoba, 9 per cent; Alberta, 5 per cent and British Columbia produced 6 per cent.

The eight firms engaged in the industry employed capital of $59,210,737 as compared with $50,881,818 in 1929. Salaries and wages totalled $3,172,198 against $3,523,595 the preceding year

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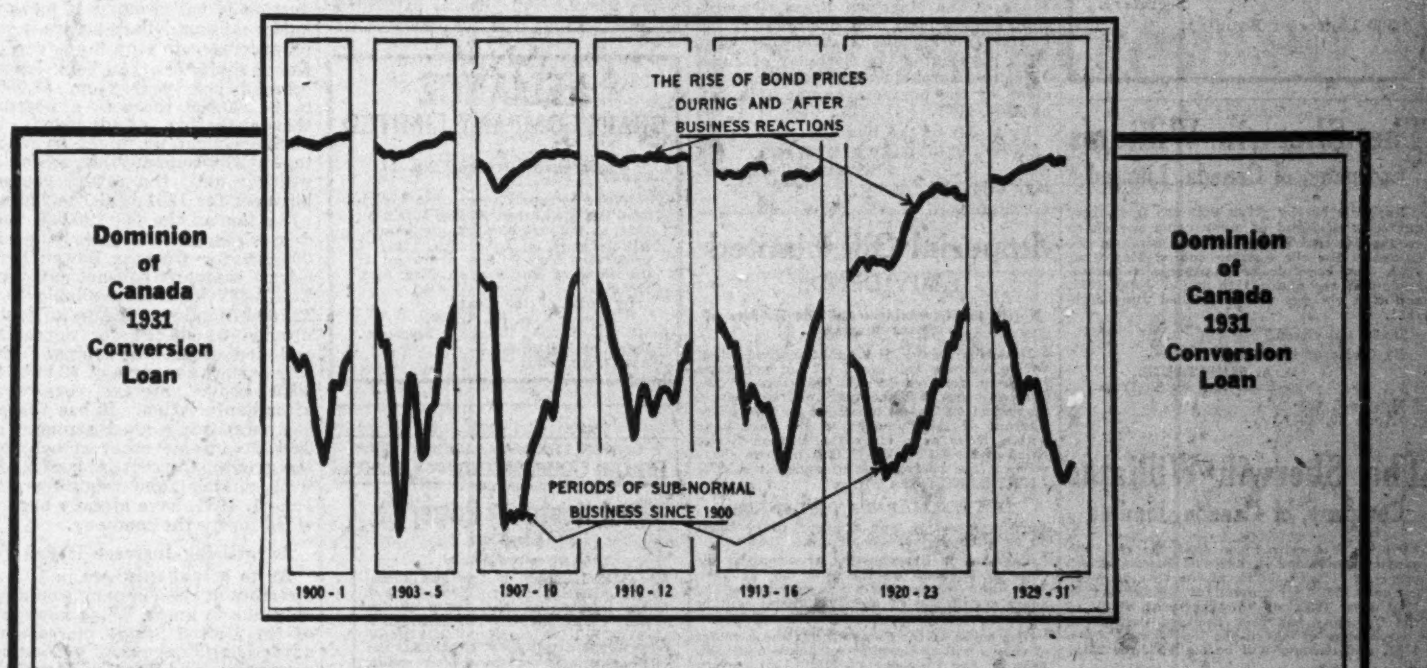

Experience Says, "Convert"

During periods of business reaction in the past thirty years bond prices have usually commenced to rise and continued their upward trend well into the period of business recovery. Precedent therefore urges the immediate exchange of 1931, 1932, 1933 and 1934 Dominion of Canada Bonds into Conversion Loan 4½% Bonds. For seven years after the depression of 1921 bond prices rose with few interruptions while general business and the stock market were improving.

Immediate conversion of 1931, 1932, 1933 and 1934 Dominion Bonds gives long-term assurance of 4½%. The existing interest rates of 1931, 1932, 1933 and 1934 Dominion of Canada Bonds will be continued until their maturity. The Income Tax exemption privilege of 1931 and 1933 Dominion Bonds will also be maintained until their present maturity. The new Conversion Loan Bonds will continue the satisfactory features of safety, income, stability and saleability which holders have experienced in the past.

We have made convenient arrangements to complete the exchange for investors, in accordance with the official terms of the Conversion Loan. The coupon below should be mailed immediately. Requests for quotations or orders to buy or sell Dominion Conversion Loan Bonds will have our immediate attention. Applications for allotments may be telegraphed or telephoned at our expense.

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Dear Sirs:

I hold
$............ Dominion Bonds, due 1931
$............ Dominion Bonds, due 1932
$............ Dominion Bonds, due 1933
$............ Dominion Bonds, due 1934
which I wish to exchange for an equal amount of Dominion of Canada Conversion Loan 4½% Bonds. Please forward me the official Application Form and full particulars.

NAME..
(Mr., Mrs. or Miss)
ADDRESS..

DOMINION OF CANADA
1931 Conversion Loan

WE offer our services to bondholders in connection with the conversion of the following issues:—

5% War Loan.......due Oct. 1, 1931
5½% Renewal Loan...due Nov. 1, 1932
5½% Victory Loan....due Nov. 1, 1933
5½% Victory Loan....due Nov. 1, 1934

Copies of the official prospectus and application form, with any additional information desired, will be furnished promptly upon request.

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Makers of FIVE ROSES FLOUR
MILLS AT
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DAILY CAPACITY 20,000 BARRELS
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Secretary M. H. HUTCHISON
Treasurer T. F. McNALLY
Asst. Treas. A. C. McMILLAN

DIVIDEND NOTICES

DIVIDEND NOTICE

The British American Oil Company, Limited

NOTICE is hereby given that a dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the second quarter ending June 30th, 1931. The above dividend is payable July 2nd, 1931, to Shareholders of record at the close of business on the 13th day of June, 1931. Transfer Books will be closed from the 15th to the 30th of June, both days inclusive.

Share Warrant Holders will present Coupon Serial No. 5 to The Royal Bank of Canada, 68 William Street, New York City, or to The Royal Bank of Canada, Toronto, Ontario, on or after July 2nd, 1931.

By order of the Board.

P. W. BINNS,
Secretary.

Dated at Toronto, May 11th, 1931.

MERCURY OILS Limited

NOTICE
To Shareholders

Notice is hereby given that a dividend of five cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on July 2nd, A.D. 1931, to shareholders of record at the close of business on Monday, June 15th, A.D. 1931.

The transfer books of the Company will be closed at 5 p.m. on Monday, June 15th, A.D. 1931, and will be reopened on Thursday, July 2nd, A.D. 1931.

BY ORDER OF THE BOARD
OF DIRECTORS.
CHAS. BIGGS,
Secretary.

300 Lancaster Building,
Calgary.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the forty-third quarterly dividend of forty cents per share on the No Par Value Ordinary Stock of the Company for the quarter ending May 31st, 1931, has been declared payable to shareholders of record the 15th day of June, 1931, and that cheques will be mailed June 30th, 1931.

Books not closed.

By Order of the Board.

D. A. WHITTAKER,
Vice-Pres. and Sec'y.-Treas.

Montreal, Que.
April 29, 1931.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the eightieth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for quarter ending May 31st, 1931, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of June, 1931, and cheques will be mailed June 30th, 1931.

Books not closed.

By Order of the Board.

D. A. WHITTAKER,
Vice-Pres. and Sec'y.-Treas.

Montreal, Que.
April 29, 1931.

DIVIDEND NOTICES

Canadain Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a dividend of one and one-quarter per cent on the Ordinary Capital Stock for the quarter ended March 31, 1931, was declared from railway revenues and special income, payable June 30, 1931, to Shareholders of record at three p.m. on June 1, 1931.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, May 6, 1931.

P.T. LEGARÉ CO. LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending May 31st, 1931, payable on the 1st day of June, 1931, to shareholders of record at the close of business the 15th day of May, 1931.

By order of the Board.

P. C. FALARDEAU,
Secretary-Treasurer.

Quebec, May 5th, 1931.

MORRISON BRASS Corporation Limited

Dividend Notice
on
Preferred Stock

Notice is hereby given that a dividend of 1¾% on the 7% Preferred Stock of the Morrison Brass Corporation, Limited, has been declared for the quarter ending the 31st day of May, 1931, payable on the first day of June, 1931, to Shareholders of record at the close of the business on the 15th day of May, 1931.

By Order of the Board,

HIRAM D. HALL,
Secretary-Treasurer.

May 6th, 1931.

Imperial Oil, Limited

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a dividend of twelve and one half cents (12½c) per share has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number TWENTY-NINE (29) of such share warrant has been presented and delivered to ANY BRANCH OF:

THE ROYAL BANK OF CANADA

such presentation and delivery to be made on or after the 1st day of June, 1931.

Payment to Shareholders of record at the close of business on the 15th day of May, 1931 (and whose shares are represented by share certificates of the 1929 issue) will be made on or after the 1st day of June, 1931.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of May, 1931, to the close of business on the 30th day of May, 1931.

BY ORDER OF THE BOARD.

F. E. HOLBROOK,
Secretary.

56 Church Street,
Toronto, Ontario.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 177

NOTICE is hereby given that a Dividend Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 30th May, 1931, and that the same will be payable at the Bank and its Branches on and after Monday, 1st June next, to shareholders of record at the close of business on the 30th day of April, 1931. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 17th April, 1931.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on the 30th April, 1931.

By order of the Board,

W. A. BOG, General Manager.
JACKSON DODDS, General Manager

Montreal, 21st April, 1931.

STANDARD STEEL CONSTRUCTION COMPANY LIMITED

Notice is hereby given that a quarterly dividend of 75 cents per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Standard Steel Construction Company Limited, payable on the 1st day of July, 1931, to shareholders of record on the 15th day of June, 1931.

By order of the Board.

J. J. BREEN,
Secretary.

RELIANCE GRAIN COMPANY LIMITED

Preference Dividend No. 14

Notice is hereby given that a dividend for the quarter ending May 31st, 1931, at the rate of 6½% per annum, will be paid on June 15th, 1931, to preference shareholders of record at the close of business on May 31st, 1931.

By order of the Board.

A. W. GIBB,
Secretary.

Dated at Winnipeg,
April 14th, 1931.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

East Kootenay Power Co. Limited

Dividend No. 28

A DIVIDEND of One and three-quarters per cent. (1¾%) being at the rate of 7% per annum on the 7% CUMULATIVE PREFERRED STOCK of EAST KOOTENAY POWER COMPANY, LIMITED has been declared for the quarter ending May 31st, 1931, payable June 15th, 1931, to shareholders of record May 30th, 1931.

By order of the Board.

L. C. HASKELL, Secretary.

April 24th, 1931.

STOCKS AND BONDS OF ABITIBI POWER DROP MATERIALLY

Improvement Awaits Increasing Advertising Linage in U. S. Newspapers

COSTS ARE REDUCED

Preferred Dividend is Uncertain—Bond Interest Earned by Large Margin in 1930

With Abitibi Power & Paper Co. 6 per cent preferred stock sinking to 18 although dividends are still being paid and 5 per cent mortgage bonds dropping to below 60, considerable anxiety is being expressed by shareholders and bondholders lest dividends and interest should be passed.

This is in spite of the fact that both dividends and interest were earned with sufficient margin to show earnings of 47 cents a share in 1930 on the common stock. The anxiety is because it is realized that 1931 is likely to show a sharp reduction in earnings because newsprint has been reduced $5 a ton to $50 a ton and because the business available so far in 1931 for any of the mills is below the levels for the first part of last year.

Has Reduced Costs

Earnings available for preferred stock in 1930 were $2,921,743 or $513,835 more than was necessary to pay $2,092,908 on $34,881,800 of 6 per cent preferred stock, $245,000 on Provincial Paper preferred stock and $70,000 on 7 per cent preferred stock. In view of the fact that the company has also closed its higher cost mills and reduced operating expenditures considerably in the meantime there would have to be a reduction in net revenue of more than half a million dollars before it would be necessary to stop 6 per cent preferred dividends. As bank loans increased last year from $1,750,000 to $4,500,000 there is a possibility that deferring of dividends until business picks up might be resorted to, but the company has so far been waiting until the actual course of business for 1931 could be judged.

So far as the $50,000,000 funded debt is concerned (not including $20,000,000 for Ontario Power Service Corp.) company had net earnings of $7,374,337 in 1930 available to pay $2,786,070 interest on funded debt and provide $1,666,524 for depreciation and depletion. The company therefore earned a margin of $2,921,743 in 1930 above interest requirements after depreciation. It has therefore comparatively a much stronger position than some other companies in the group. Current interest and the first sinking fund requirements on June 1, 1931, have already been provided for by the company.

Advertising Increase Hoped For

As to actual earnings in 1931. the directors of the company would probably like to know. When newspapers of the United States increase their advertising linage they will use more newsprint, and that will mark the commencement of the come-back for this and other companies. In the meantime the situation may be affected by mergers if these are finally effected. Power earnings from the Abitibi canyon cannot be expected to affect the situation before 1933. The company itself has been well and conservatively managed but it cannot escape the effects of excess capacity, declining demand and overcapitalization in the industry as a whole.

Acme Gas & Oil Co. Well 540,000 Cu. Ft.

Acme Gas & Oil Co., No. 4 well, completed last week on the farm of Frank Lymburner, east of Tillsonburg, Ontario, gave, on official test, 540,000 cu. ft. of natural gas daily.

Owing to a leaky pipe the initial test showed 415,000 cu.ft. Upon this being repaired the above flow was obtained.

DIVIDEND NOTICES

Rogers-Majestic Corporation Limited

DIVIDEND NOTICE

A quarterly dividend of 30c. per share on the class A and class B shares of the Rogers-Majestic Corporation, Limited, has been declared by the Board of Directors, payable on the first day of June, to shareholders of record at the close of business on May 18th, 1931.

By Order,

SAMUEL ROGERS,
Secretary.

The Bank of Nova Scotia

DIVIDEND No. 246

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 15th, and that the same will be payable on and after Thursday, the second day of July next, at any of the offices of the Bank in Canada.

By order of the Board.

J. A. McLEOD,
General Manager.

Halifax, N.S., 12th May, 1931.

CANADA PAVING & SUPPLY CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1¾% on the seven per cent. Cumulative Sinking Fund Convertible First Preference shares of the Company for the quarter ending May 31, 1931, has been declared payable on and after June 1st, 1931, to shareholders of record at the close of business on May 15th, 1931. The transfer books will not be closed.

Dated at Windsor, Ontario, this 12th day of May, 1931.

ISAAC W. LAMBERT,
Secretary.

NEWEST LOAN FORWARD STEP IN REFUNDING

(Continued from page 1)

the post-war inflation, Canada has shown a praiseworthy tendency to reduction of her outstanding debt.

Interest Rates

Interest rates have been declining steadily since the abnormal rates of war and post-war days. It has been a feature of past history that in times of commodity price declines there is a tendency of bonds to go up in price. The income from these 4½ per cent bonds will buy more goods in Canada now than at any time since 1900, except for a short period in 1915. Past history also indicates that the bond price rise usually starting in times of depression continues well on into good times.

If applications for conversion come and are accepted eventually from even two-thirds of holders of these bonds falling due in the next three years, it will be the largest conversion in the history of Canada. It is true that $250,000,000 is the official limit set, but it is hardly to be expected that the Government would turn down applications received during the time limit set to May 23. After that date it might well happen that the Government would not need to take extraordinary measures to look after conversion of its bonds. What form of financing thereafter will be taken cannot be foreseen, but it is doubtlessly hoped that Canadians will own nearly all of the new bonds and thus keep $45,000,000 interest in Canada.

Is Not New Debt

As this is a conversion loan, not a penny of new debt is added to the funded debt of the Dominion. It is a matter of exchanging existing bonds for other bonds of the Dominion.

It is pointed out that the conversion loan will be of benefit both to those who convert and to the Dominion. After 1934 the lower rate of interest will permit the Dominion Government to make a saving of about $11,000,000 in interest and it gives present holders of bonds maturing in 1931, 1932, 1933 or 1934 all the privileges and rates of interest they are now receiving up to date of maturity and then they will still have a 4½ per cent bond secured at rates under the market level. Government bonds are already selling on a 4.25 and a 4.30 basis. There is therefore almost in sight an immediate profit visible from conversion.

Expect 4 Per Cent Rate

Many financial men expect that Dominion Government bonds will get on a 4 per cent basis at least. Before the war the yield on Dominion of Canada securities ranged from 2.98 per cent in 1901 to 3.56 per cent in 1913. The 2½ per cent, 3 per cent and 3½ per cent issues are all payable in London, but there is a 4 per cent issue payable in New York in 1960. A United States Government loan was recently floated in New York on a 3½ per cent basis.

In November, 1915, Canada made the first attempt at financing her war loan expenditures by issuing what was intended to be $50,000,000 of 5 per cent tax-exempt 10 year gold bonds issued at 97½ and maturing December 1, 1925. The public response was so heavy that the Government increased the amount to $100,000,000.

History of War Financing

Then the loans came in quick succession as follows year by year:

September, 1916: second war loan $100,000,000 5 per cent tax-exempt 15-year gold bonds, public subscriptions, including banks, being $201,444,800. In March there had been floated 5, 10 and 15-year 5 per cent bonds in New York.

March, 1917: third war loan 5 per cent tax-exempt 20-year gold bonds were issued at 96, subscriptions totalling $260,768,000. In August, 1917, $100,000,000 of 5 per cent 2 year notes were issued in New York City at 98.

November, 1917: 5½ per cent 5, 10 and 20-year gold bonds, subscriptions totalling $398,000,000.

November 1, 1918: fifth war loan (second Victory Loan) 5½ per cent 5 and 15-year tax exempt bonds, subscriptions reaching $660,000,000.

November, 1919: sixth war loan (third Victory Loan) 5½ per cent 5 and 15-year bonds, subscriptions reaching $678,000,000.

Renewal Loans

Autumn, 1922: a 5½ per cent renewal loan aggregating $114,464,150 due in 1927 and 1932 was floated to pay off the maturing 5-year Victory Loan bonds of 1917. Largely for the same purpose a $100,000,000 loan was floated in New York.

Autumn, 1923: second renewal loan of $200,000,000 at 5 per cent was used to pay off maturing 5-year Victory Loan bonds of 1918.

In 1924 refunding operations occurred to retire $107,955,650 5-year Victory bonds issued in 1919. A domestic issue of $50,000,000 4½ per cent 20-year bonds and $35,000,000 4 per cent two-year notes and a short term issue in the New York market of $90,000,000 4 per cent 1-year treasury notes. In November there was an issue of $24,000,000 in 4 per cent 1, 2 and 3-year notes of $8,000,000 each.

Some Loans in New York

In September, 1925, a refunding loan of $75,000,000 at 4½ per cent due 1940 was issued in Canada and 4 per cent one year notes amounting to $70,000,000 in New York City. Funds thus received were used to redeem £5,000,000 4½ per cent bonds due in London, $90,000,000 4 per cent notes due in New York, also $8,000,000 4 per cent notes and $42,014,500 5 per cent bonds of 1915 war loan due in Canada.

In 1926 refunding issues of $20,000,000 4½ per cent 4-year bonds and $45,000,000 4½ per cent 20-year bonds were made in Canada, $40,000,000 4½ per cent 10-year bonds in New York City to meet maturing issues of $25,000,000 5 per cent bonds due in New York City, April 1, and $70,000,000 4 per cent notes called for redemption April 1.

In 1927, $45,000,000 of 4 per cent treasury notes due December 1, 1930, were issued in order to retire maturing 5½ per cent obligations.

Now Mostly Internal

In all these transactions, whether loans have been effected in Canada or New York City by short-term or long-term loans, the result has been in the main to bring the great majority of the securities representing the funded debt of the Dominion Government into the hands of the people of Canada. With only about $260,000,000 of the public debt held in London and $220,000,000 held in New York City, payments of interest outside of Canada have been relatively small.

The tendency of the various renewals and conversions also has been to reduce the interest total payable by the Dominion. Thus the country paid $137,892,735 in interest on its debt in 1923 and only $124,989,950 in 1929. The new conversion loan and loans to follow sooner or later will bring that total down after 1934 by another $11,000,000.

The issue of bonds of the 1931 conversion loan is authorized by act of Parliament, which provides that both principal and interest on all of the bonds is to be a charge on the consolidated revenue fund of Canada.

Principal and interest on the new bonds will be payable without charge in lawful money of Canada at the office of the minister of finance and receiver general at Ottawa, or at the office of the assistant receiver general at Halifax, Saint John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary, or Victoria. Interest coupons will be payable without charge as they fall due at any branch in Canada of any of the chartered banks.

The department of finance announces that interim certificates in bearer form will be delivered in the first instance in exchange for all war loan and victory bonds accepted for conversion. The interim certificates will be exchangeable at a later date for engraved definitive bonds. The finance department expects that the definitive bonds will be ready on or about August 15, 1931.

Principal May Be Registered

When the definitive bonds are ready it will be possible for holders to obtain delivery of coupon bonds in bearer form or of coupon bonds registerable as to principal. These bonds will be issued in denominations of $100, $500, and $1,000. Fully registered bonds, on which the interest will be paid direct to the owner by Government cheque, will also be obtainable in denominations of $500, $1,000, $5,000, $10,000 and $100,000.

Applications to convert bonds are being received and receipts issued from every branch in Canada of the chartered banks and by recognized Canadian bond dealers and stock brokers. They will arrange for the conversion of bonds without expense to bondholders.

Standard Brands Retires One-Third Preferred

Standard Brands, Inc., on May 20 will draw by lot 50,000 shares of 7 per cent cumulative preferred stock, Series "A," to be redeemed on July 1 at $120 a share plus $1.75 a share accrued dividends.

This amounts to one-third of the entire preferred stock issue of the company, and the decision made to retire it at a special meeting on May 8 is a reflection of the company's strong financial position. The transfer books will be closed May 20, permanently in the case of the redeemed shares, and will be reopened May 27 for shares not drawn for redemption.

At the same meeting directors declared the regular quarterly dividends of $1.75 a share on preferred stock and 30 cents a share on common stock, both payable July 1 to stockholders of record May 29.

Dominion of Canada 1931 Conversion Loan

5% War Loan	- due October	1st 1931
5½% Victory Loan	- due November	1st 1932
5½% Victory Loan	- due November	1st 1933
5½% Victory Loan	- due November	1st 1934

We recommend holders of the above issues to convert promptly and will be pleased to explain why we consider such an exchange advisable.

Government circulars and application forms may be secured from our offices.

May we attend to the details of conversion for you?

W. C. PITFIELD & COMPANY
80 King Street West, Toronto
MONTREAL OTTAWA QUEBEC LONDON, ENG.
VANCOUVER SAINT JOHN HALIFAX

121

The
Willison Neely Corporation
Limited

DEALERS IN
Canadian Government, Municipal and "Dollar for Dollar" Bonds

CANADIAN PACIFIC BUILDING TORONTO
MONTREAL LONDON HAMILTON OTTAWA WINNIPEG

Fitting Your Business —and Your Pocketbook

Reo fits your haulage requirements by constantly introducing new ideas in bodies.

Reo fits your pocketbook with economies resulting from quick acceleration and deceleration in traffic—with further economies resulting from all-day, all-year, long-life stamina.

Carefully engineered, with friction and vibration minimized—made of finer metals, with chassis balanced and free of excess dead weight, Reo is needed in your business for the most profitable haulage.

• • •

Reo passenger cars, trucks and buses are again being produced in Canada. Reo was the first manufacturer to produce motor vehicles in the Dominion on an extensive scale. The establishment of production facilities at Toronto is evidence of Reo's appreciation of the Canadian public's patronage over a period of 22 years.

REO MOTOR CAR COMPANY OF CANADA, LTD.
TORONTO

SPEED WAGONS **REO** AND TRUCKS

"Rounded" Performance!

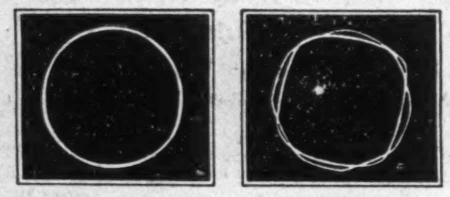
Amazing Torsiograph tests prove The Dictator engine the smoothest Eight within hundreds of dollars of its price!

NO car in its price class matches the velvet smoothness of The Dictator's 81 horsepower engine. Its Torsiograph record is smoothly "rounded" in striking contrast to the roughness common to ordinary eights, sixes and fours.

No car in its price class has the effective carburetor silencing and the full-power engine muffling that combine to give The Dictator Eight quiet and smoothness equaled only in high priced cars.

Studebaker goes to extremes not approached by any maker in this price class to remove vibration. The crankshaft of The Dictator engine has nine (9) bearings and is balanced not only statically but dynamically on machines that are marvels of precision.

What remains of vibration is further minimized by a crankshaft vibration damper. Dual carburetion and manifolding, feed exact amounts of fuel to each cylinder, avoiding "starving" of end cylinders and assuring *even* power impulses.



The Torsiograph, one of the most nearly infallible of automotive laboratory instruments, records accurately the vibration of any rotating shaft. The closer the record chart approaches a true circle, the more nearly perfect the balance of the crankshaft. Above are shown the Torsiographic records of The Dictator Eight *nine* (9) bearing crankshaft and those of two other eights of *double* The Dictator's price. Notice the smooth roundness of The Dictator graph contrasted with the irregularity, or "humpiness" of the other two.

And plus all this, plus the fact that The Dictator Eight has only 38.2 pounds of weight per horsepower, you also get Free Wheeling, greatest engineering advance since the electric starter. You get Free Wheeling's unique travel-smoothness, its freedom from clutch pushing, its 15% to 20% gas and oil savings, its officially approved increased safety.

free wheeling
Dictator Eight - $1425
to $1595 at the factory, Walkerville, Ont. Bumpers, spare tires and gov't taxes extra

FRED POWELL MOTORS
Limited
472 Yonge St., Toronto
Cars, Busses and Trucks

STUDEBAKER—MADE IN CANADA

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8 o'clock P.M., June 2nd, Village of Belle River, $8,500.00, 6 per cent Waterworks debentures, dated June 1st. 1931, redeemable annually within 20 years, from 1932 to 1951. Capital and interest payable at Provincial Bank or Treasurer's Office, Belle River.

Mederic Forget, Clerk.

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Maple Leaf Milling

We would appreciate a report on Maple Leaf Milling Co. with special reference to their 5½% bonds, due 1947.

You are, of course, familiar with the $5,000,000 loss of the Maple Leaf Milling Co. in the last fiscal year, as a result of unsuccessful speculation by officials. Since then the company has been in more conservative hands and the first half of the present fiscal year showed good earnings even on the common stock, that is, if the deferred earnings on the preferred stock are not taken into consideration. This makes the situation more encouraging for holders of bonds.

It is not likely that earnings in the second half of the year will be as large as in the first half. It has been in the past the expectation with most milling companies that the second half of each fiscal year would show a considerable falling of.

Abitibi Preferred

Can you tell us just what is the matter with Abitibi 6 per cent preferred. We have been watching this stock lately and thought of buying a few shares but it has taken such a slump that we are afraid there is something the matter with this stock.

Abitibi 6 per cent preferred dividends were covered in 1930, but business in 1931 is proceeding at a lower level than in 1930 and the 6 per cent preferred has dropped to a new low because traders fear that the dividend may be passed. The declaration of a dividend probably depends on whether there is an upturn in newsprint business later on in the year or not. It is understood that the officials of the company are watching the matter very closely and if there is an encouraging increase in business the dividend may be continued.

Abitibi is one of the best financed of the newsprint companies in Canada. It is not only a newsprint company, with control of Provincial Paper, which makes fine paper, but it also is getting into the power business in a large way. Power returns will not probably come into the earnings of the company to any extent until 1933.

Abitibi Power Bonds

What is the reason for the recent drop in value of the first ten mortgage bonds of Abitibi Power & Paper Co.? I understand that the company has paid preferred dividends regularly.

Due to over-expansion in the newsprint industry and to the fact that the business depression has been accompanied by a notable decline in advertising, the newspapers in the United States thus not needing nearly so much paper as in 1929, newsprint prices have been declining and newsprint companies have been working at less than 60 per cent of capacity.

Curtailment of production and lower prices have made profits disappear from most of the companies. Abitibi Power & Paper Co. is regarded as one of the strongest companies, and it is making all sorts of economies at present to meet the situation. However, it has been paying its preferred dividends to date and the principal danger seems to be that this dividend may be reduced. The bonds apparently are in a strong position.

Montreal Debenture Corp.

Can you advise me as to the financial standing of Montreal Debenture Corp. and what progress the company has made during the past year? I understand a meeting of the holders of the 6 per cent, series A, is being held in Montreal on May 26.

We have no information as to the financial standing and the progress made of Montreal Debenture Corp. during 1930. The company is not only calling a meeting in the Windsor Hotel, Montreal, on May 26, 1931, of holders of series "A," 20 year 6 per cent sinking fund gold bonds, which you are interested in, but also of the series "B," 5¾ per cent bonds, the 6 per cent mortgage sinking fund gold bonds and the 6 per cent 20 year gold debentures.

Some attempt at reorganization has been expected, especially as the interest on the bonds put out by the parent company, the Canadian Terminal System, has also been passed. Meetings have already been called of creditors of Municipal Bankers Corp., another subsidiary, of Ontario Bakeries, and of the Canadian Terminal System, itself. Bondholders will probably be advised of the financial position of the company at the meeting in Montreal.

Massey-Harris

I bought 20 shares of Massey-Harris common, before the market decline, at $49 per share. I would like your opinion as to the advisability of buying 100 shares at the present market value of $5 per share thus bringing the cost per share down to approximately $13 with a view to selling out in a few months or within the year without a loss.

Your question really asks us whether we think Massey-Harris shares will advance to $13 at some time during 1931. While an indefinite hold of Massey-Harris bought at low prices might well prove profitable to the person courageous enough to risk his money under present depressing circumstances, we are unable to express opinions with regard to actual movements of stock on the stock market. These are responsive to a great variety of factors which cannot be foreseen.

From the investor's standpoint, one sees that Massey-Harris sells all its products to agricultural communities the world over and that practically all of these agricultural communities have had their purchasing power greatly reduced. This has a twofold effect; one, making it difficult for the company to collect easily on all sales made; and, second, making it more difficult to make new sales. We cannot predict when agricultural purchasing power will recover, but when it does the opportunities of agricultural implement firms, like Massey-Harris Co., to make a profit will be greatly enhanced. After the 1920 débâcle in farm prices it took Massey-Harris three or four years to get back again into profitable operations.

Crown Dominion Oil

I would be interested in knowing what you think of **Crown Dominion Oil Co. stock.** I purchased some of these shares at a much higher level and I am advised that the earnings of the company are very satisfactory but the stock does not seem to be at all active in the market.

I am also informed that a group associated with Service Stations and another oil company have acquired control of this company and my informant tells me that the price they have paid is around $10 a share. If this is so, why doesn't this stock sell higher than $4.50.

We have been unable as yet to verify the report given you to the effect that a group associated with Service Stations and another oil company have acquired control of Crown Dominion Oil Co. stock at $10 a share.

As a shareholder you probably received the financial statement of Crown Dominion Oil Co., which showed sales in 1930 of $1,000,000 and net operating earnings of $68,623 or $39,085 after provision for depreciation, interest, taxes, and so on. This is equivalent to 50 cents a share.

The company has 77,518 shares of no par value common stock outstanding. The tangible assets are about $700,000 and the net tangible assets about $410,000. In other words, there is an equity behind the stock of about $6 a share.

The low price for the stock seems to be that it is a sympathetic movement along with stocks of other oil companies. This company is a distributing company mainly and, therefore, not subject to influences playing upon refineries.

We are informed by interests close to the company that sales in the first quarter of 1931 have increased as compared with the first quarter of 1930. At the annual meeting the directors' report stated that while the general outlook of the company was greatly improved and the directors were optimistic, it was felt to be in the interests of the company to delay consideration of dividends. We understand that it is their desire to improve the cash position and the working capital position of the company generally before starting to pay dividends. When the results of 1931 are pretty well apparent it may be that consideration will again be given to this point. The company has contracted, it is understood, for their supplies for 1931 at prices which afford a better margin than they have had in the past. Profits will, therefore, depend on whether the industry maintains selling prices at around present figures or not.

Imperial Tobacco

Will you be good enough to give me your opinion on the stock of Imperial Tobacco Co. I have a small amount of money to invest and would be glad to have your opinion on this issue.

Imperial Tobacco is the leading operator in the industry, controlling probably over three-quarters of the tobacco products manufactured and sold in the Dominion. Its record over a period of many years has been an outstanding one. Its earnings have increased steadily, and the management, in turn, has passed along a due share of these increasing profits to the shareholders in the form of larger dividends. There is little speculative attraction to the company's stock, but as an investment, it is highly regarded. It is the chief industrial stock on the Canadian market to come through the market breaks of the past 18 months without suffering any material depreciation in value.

Steel of Canada

I hold some shares of Steel Co. of Canada. Can these be considered satisfactory in the light of present conditions? Is the company making progress?

Steel Co. of Canada is regarded as one of the strongest industrial organizations in Canada. Though earnings in 1930 showed a reduction, they were sufficient to cover dividends on the ordinary stock by a fair margin, while balance sheet position was maintained. Wide expansion of plant has been undertaken in the past and this ploughing back of money into property has strengthened the equity back of the common stock. Operations during the current year are not likely to show an improvement, though the company's dominating position in the industry it serves should enable it to take quick advantage of any improvement in business.

International Power

I hold a small block of International Power preferred stock purchased at par. This has paid dividends regularly, but at present market levels I have a large loss. I have seriously considered selling, and re-investing in some common stock. My income is more than adequate and I am considering International Nickel and Noranda, as an investment for a five-year period.

We do not see any particular advantage in disposing of your International Power Co. preferred at present prices. As you know, stock market conditions are most unsettled, there is little trading of this particular stock and the loss you would sustain at current levels would be severe. The company, it must be admitted, has not shown much progress in earnings since its inception.

On the other hand, we understand that considerable expansion has been undertaken in its various properties, and that earnings for 1930 were slightly higher than those of the previous year. If, however, you decide to sell and reinvest in some common stocks, your choice would appear to depend largely on your present holdings and financial position.

If, as you say, dividends are not necessary, it may be assumed that you can afford to speculate; at the present time International Nickel and Noranda must be considered as speculations in view of the prevailing metal market. The position of both these companies is such that an improvement in metal prices over the next few years should find a ready reflection in their earnings; their outlook, however, is largely dependent upon this improvement.

Dominion Bridge

I have been told that Dominion Bridge Co. shares are selling at a low price and, not knowing much about the stock, I would be obliged if you could give me some information on the company.

Dominion Bridge is the largest factor in the structural steel industry in Canada, and has expanded its scope of operations considerably in the past few years. Through acquisition of other companies and erection of new plants in various cities, its activities have assumed a national aspect. As a result, the company is vulnerable to business conditions throughout the Dominion, and the slackening in construction has found reflection in operations. Whether this contraction in earnings will affect the present rate of dividends, remains to be seen. The company's financial position at the end of the last fiscal year was strong, and the balance sheet at the end of October, 1930, showed cash, call loans and securities amounting to over $5,000,000. Prospects for new business are seen in the Canadian National terminals in Montreal, and the proposed building of bridges in the Province of Quebec.

Choosing Five Stocks

I have a small amount to invest and with which I intend to buy five first class low-priced dividend-paying common stocks which have a good chance of appreciating over a period. I am enclosing a list which I have been considering and would appreciate your comments.

Beatty Bros. has a strong working capital position. Its current assets are made up of a high total of accounts receivable and inventories while the current liabilities include a bank loan of $708,000. The company is reorganizing its capital structure on a basis which will enable it to pay $2 a share on the common stock held by the public. The company earned on this stock $3.61 in the fiscal year, 1930, and $7 in 1929. In the first 6 months of the present year sales are down. As the company does a great deal of business with the farmer, reduced purchasing power in agricultural communities has a considerable effect on earnings. The company makes a large variety of products so that it is not dependent on a restricted demand. On the whole, it may be regarded as a promising company going through a difficult period.

British American Oil has been selling more gasoline and oil products so far in 1931 than for the same period in 1930. What profits will be for the year is a more difficult thing to judge, but officials seem confident that the company will be able to maintain its present dividend without change. The company, as well as other Canadian companies with refineries, is helped by the tariff protection given which prevents gasoline from the United States selling below the cost of production here. The company is also helped by the fact that it has some important producing wells in Oklahoma which will contribute some revenue to the company even though proration prevents it getting full benefit from this production. The company had adequate working capital at the end of 1930. In 1930 its profits were somewhat interfered with by losses on Western Canada business, losses which were shared by all companies doing business in that area. This year so far, business is mainly on a cash basis. Naturally the disturbed condition of the world's crude oil market has some repercussions on the Canadian situation in spite of tariff adjustments and application of dumping clauses.

Canada Vinegars has an adequate working capital position. The earnings were $1.82 a share on the common stock in 1930 and $2.01 in 1929. It has had fairly steady earnings in recent years. It is the largest manufacturer of vinegar in Canada. Its prospects are encouraging so long as important competition does not develop.

Fanny Farmer is a company which is trying to repeat in the United States the success made by the Laura Secord Candy Shops in Canada. It has in the years since its formation improved its position materially. It has a strong working capital position. Its earnings on the common stock in 1930 were $2.45 a share as compared with $3.45 a share in 1929. The company has no funded debt and it pays $1 a share on the common stock. By reason of turning back the surplus into the business of the company, the surplus of the company has been a growing one for some years.

Imperial Oil's annual statement for 1930, just made public, shows a remarkably strong financial position. Earnings are down, as expected, to 71 cents a share as compared with 99 cents a share in 1929, but this is after heavy provisions for writing down inventories, for depreciation and for losses on Western Canadian business. On the long view the company has an exceedingly promising position. It is doing business in South America, Canada, United States and Europe. In South America through its great subsidiary, International Petroleum Corp., it exports products to Canada, United States and Europe. It is in every branch of the oil business and in Canada is the leading refiner, distributor and operator generally. A growing proportion of its earnings is coming from foreign investments which contribute about 60 cents out of every dollar of dividends paid. The disturbed world crude oil situation naturally, therefore, is of great interest to the company, but present dividends on International Petroleumappear to be stable and have not yet been affected by all that has happened.

International Petroleum is developing great areas in Colombia and Peru and every year since its formation, on the average, has shown an upward progress in earnings. Even though the crude oil situation of the world by reason of great over-production has brought prices very low, the company is at the present moment paying the largest dividends in its career. The dividend rate is $1 a share. What that relation is to earnings one does not know as the earnings of this company are consolidated with those of Imperial Oil.

Loblaw Groceterias has a strong working capital position and no funded debt. Its merchandising policy has proved to be a sound and profitable one. There have been lower sales as measured in dollars during the current fiscal year to date, but slightly higher profits have been made because the physical volume is understood to be greater. The company earned $1.28 a share in its fiscal year, 1930, and this represents a steady growth of many years. The company has competent management and is a well established and growing concern.

Moore Corp. has a strong working capital position. Its earnings in 1930 were $1.26 a share and $2.54 a share in 1929. The falling off was directly attributable to the business depression. The president stated at the annual meeting that business in 1931 for the first quarter had been proceeding at lower volume, the company earning a fair profit on the lower volume. A return of better business would help this company materially.

We have tried to indicate to you the position of each of the stocks about which you have enquired so that you may judge for yourself which of them would be best for your purchase.

Ogilvie Flour

As a reader of The Financial Post, I would be obliged if you would give me some information on current operations of Ogilvie Flour Mills. I notice the shares have declined recently.

Shipments of Ogilvie Flour Mills have shown improvement during the current fiscal year and plant operations are being carried on at a more satisfactory rate. The milling industry, however, has faced several difficulties, one of which is the competition offered by Russian wheat. Foreign mills are using larger quantities of this grain, which is offered at prices below that of Canadian wheat. Consequently Canadian millers, who confine their raw purchases to Canadian wheat, are finding some difficulty in marketing their products in foreign countries. The stock of Ogilvie Flour has fallen to a comparatively low level due largely to its substantial investment account and poor stock market conditions. At the end of its last fiscal year investments totalled over $12,000,000 and it is reasonable to assume that some depreciation in value of securities held has been sustained in the past year. At present prices the shares of Ogilvie Flour appear to discount the possibilities of a deferment in bonus payments at the end of the year. Last year the bonus totalled $5 which was paid in addition to the regular dividend of $8 a share.

Canadian Bronze

What is the record and current position of the common stock of Canadian Bronze Co.?

Canadian Bronze earned on its common stock, after preferred sinking fund requirements, $4.72 in 1928, $4.60 in 1929 and $2.87 in 1930. The company manufactures bronze bearings, bushings and castings, principally for railway freight and passenger cars and locomotives in Canada, supplying practically all the railway requirements of the Dominion for these products. It has an encouraging history of sound development from the time of its incorporation in 1896, but its tonnage has been decreased as a result of a generally depressed state of business in 1930. Earnings suffered principally from a reduction in the price of copper and other metals and a consequent lowering of the prices of the company's products. The company is steadily increasing its industrial work, but its principal business will continue to be the supplying of bronze journal bearings for rolling stock and bronze and bearing parts for locomotives to the Canadian railroads. Working capital is strong and the company in the first quarter of 1931 still had sufficient business to earn profits to cover the common dividend. The replacement business of the company is stated to have been largely responsible for its ability to earn dividends during the past few months. When business is once more moving on an even keel in Canada with more or less stable price levels attained, the company will have its best opportunity to make adequate earnings.

When Women Invest

A WEEKLY FEATURE

Government Bonds

The woman investor who wishes to have her funds in securities with the absolute minimum of risk has this month an opportunity to convert early-maturing Dominion government bonds into issues which will give a satisfactory yield over a considerable term of years.

Every person, man or woman, who has no individual earning power, should have sufficient of his or her capital in government bonds the income from which will pay living expenses. (There are other gilt-edge investments than government bonds, but the deviation from the government bond standard should not be wide.) If the individual has further capital in government bonds the insafely, will pay living expenses, she may then consider the advisability of venturing into other investments which will yield a higher return commensurate with the greater risk.

Renew Loan at Lower Rate

There are plenty of explanations of the financing now being carried out by the Dominion government, but it is probable that many persons not versed in financial matters are slightly confused by the mass of information, especially as much of the material is in technical language. Some simple statement may be useful to the individuals who bought government bonds during the war for patriotic reasons and who is confronted by an appeal to exchange those bonds for new bonds at a lower rate of interest.

The government in the war years borrowed heavily. High rates of interest were paid because the financial resources of the country and of the world were subjected to strain. Now, within the next three years, about $1,000,000,000 of these loans mature. The government proposes to pay back the lenders, the people of the country, with a new bond bearing a lower rate of interest. In the past several years of prosperity the gross debt of the nation has been decreased somewhat, but it would be impracticable not to say impossible, for the country to pay out of its revenues, anything more than a fraction of the loans which fall due in the next two or three years.

The lower rate of interest is justified because money has been becoming cheaper in the last several years and, if history can serve as a guide, the long-term trend of interest rates will be downward unless there is another big war or other international catastrophe.

No Loss of Interest

It would not be fair for the government to ask the individual holder of bonds calling for annual interest at 5 or 5½ per cent interest to surrender those bonds and take in payment therefore a new bond bearing a lower rate of interest. So the plan is to attach supplementary coupons or "talons" to the new bonds and these "talons" will entitle the holder to receive interest at the old rate until his old bonds would have matured—in 1931, 1932, 1933 or 1934—and thereafter to receive the new rate of 4½ per cent.

There is thus no disadvantage of any description to the individual who accepts the invitation of the government to exchange his old bonds for new. There is a national advantage in the achievement of this refunding, or refinancing, in that Canada will have demonstrated to the world that it is capable of taking care of its obligations without trouble in this year of depression and financial difficulty for many countries; there is the further advantage in that the government will have disposed of major financing problems for several years ahead.

There is, also, a probable advantage to the individual in the conversion. Prior to the war—from 1901 to 1913—the yield on Dominion Government bonds ranged from 2.98 per cent to 3.56 per cent. It is conceivable that by 1934, the position of this country and the condition of the money markets would be such that the government could finance on a 4 per cent basis, which would mean that all holders of government bonds maturing at that time wold be compelled to accept a lower rate than is now available—unless he bought another investment without the same degree of safety.

Convenient Conversion

Our organization has made special arrangements to take care of the conversion of Dominion of Canada bonds, maturing between now and 1934, into bonds of the new long-term issues.

We shall be glad to explain all details of the transaction and to help bondholders effect the exchange.

You are invited to write, telephone or call at our offices.

Greenshields & Co
Investment Bankers
Members Montreal Stock Exchange
505 Place d'Armes, Montreal
Ottawa Toronto Quebec

DOMINION OF CANADA CONVERSION LOAN

We will be pleased to supply full particulars regarding conversion privileges.

A. E. OSLER & COMPANY
MEMBERS TORONTO STOCK EXCHANGE
Osler Bldg., 11 Jordan St., Toronto (2) Elgin 3461

Dominion of Canada
CONVERSION LOAN 1931
To Holders of
The 1931-2-3-4 Maturities

We strongly recommend the generous conversion privilege offered by the Government of the Dominion of Canada to holders of the above securities. In the event of non-conversion, the sale of these securities may be effected for cash on the present advantageous basis.

We offer our services to you for any one of the following purposes:
(1) The conversion of your present holdings.
(2) The sale of your bonds for cash.
(3) The purchase by you of the new issue or other securities for cash.

Please telephone at our expense.

Gairdner & Company Limited
Investment Bankers
320 Bay Street Toronto 2

DOMINION OF CANADA
1931 CONVERSION LOAN

We strongly recommend taking immediate advantage of the favourable terms of conversion offered for the Government Bonds maturing in 1931, 1932, 1933 and 1934. Our services are available for facilitating the exchange. Subscription forms and full particulars on request.

A. S. McNichols and Co. Limited
INVESTMENTS & FINANCE
132 ST. JAMES ST. WEST, MONTREAL
Tel. LAncaster 5636

To
HOLDERS OF
DOMINION OF CANADA BONDS

War Loan 5% Bonds Maturing 1st October, 1931
Renewal Loan 5½% Bonds Maturing 1st November, 1932
Victory Loan 5½% Bonds Maturing 1st November, 1933
Victory Loan 5½% Bonds Maturing 1st November, 1934

THE BANK OF MONTREAL, at any Branch, is prepared to arrange *without charge* exchange of your bonds for those of the new Dominion of Canada issue.

Full details and information will be given gladly at any of our offices.

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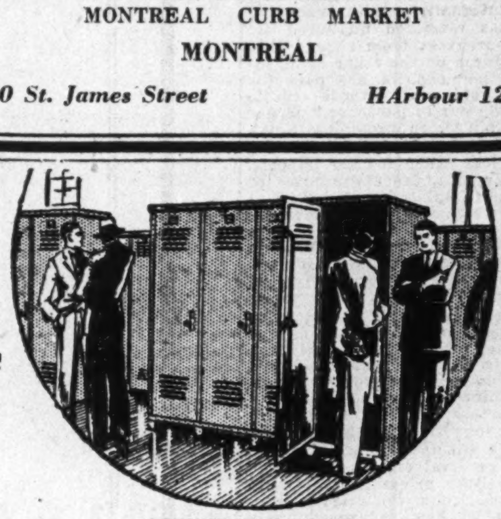

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Quality—Material—Workmanship

DENNISTEEL Quality in materials and skilled workmanship guarantee you a lifetime of trouble-free service from these lockers.

They are of distinctive appearance, and built to provide extra strength and durability throughout, with all vital parts strongly reinforced.

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Vice-President: P. A. Thomson, Montreal
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A. J. Nesbitt, Montreal, Que.
P. A. Thomson, Montreal, Que.
G. M. Todd, Montreal, Que.
James B. Woodyatt, Montreal, Que.
Robert M. Youngs, New York, N.Y.
Secretary: L. C. Haskell *Treasurer:* F. D. Lamont

BALANCE SHEET
As at March 31st, 1931

ASSETS

Cash	$ 55,656.70
Call Loans	150,000.00
Due from Brokers	737.64
Investment Securities (x)	11,098,568.84
Accrued Revenue from Investments	119,697.02
Prepaid Charges	585.55
	$11,425,245.75

LIABILITIES

Accounts Payable and Accrued Expenses	$ 20,836.88
Due to Brokers	91,903.42
Investment Reserve—(Net Profits from the Sale of Investments to date)	173,304.64
Debentures Outstanding—4½% Thirty-Year, due 1st April 1959	6,000,000.00
Capital Stock—	
Preferred—5% Cumulative Convertible. Authorized and Issued—40,000 shares of $100.00 each	4,000,000.00
Common—No Par Value. Authorized—550,000 shares (of which 200,000 are held in Treasury for the conversion of Debentures and Preferred Stock)	
Issued and Outstanding—350,000 shares (of which 100,000 are held in Escrow to cover Warrants issued with Debentures and Preferred Stock)	1,000,000.00
Surplus—(Subject to Dominion Income Tax—1931 Taxation Year)	139,200.81
	$11,425,245.75

(x) Note—After taking into consideration the amount of the credit of Investment Reserve, the Market Value of the securities owned by the Corporation at 31st March 1931 showed a depreciation from Book Value of approximately $2,907,000.00 or 26.18%.

AUDITORS' CERTIFICATE
Audited and certified in accordance with our report dated April 29, 1931.
(Signed) P. S. Ross & Sons,
Chartered Accountants.

Approved on behalf of the Board:
P. A. THOMSON
R. M. YOUNGS } Directors.

STATEMENT OF PROFIT AND LOSS AND SURPLUS
For the Year Ended March 31st, 1931

Revenue from Investments	$512,700.65	
Revenue from Stock Dividends sold	34,791.33	
Revenue from Interest Earned	9,721.58	
		$557,213.56
Deduct: Management Expenses — actual — as defined in By-law XVI	13,463.10	
Other Expenses	4,919.21	
Interest on 4½% Convertible Debentures	270,000.00	
Other Interest	10,553.99	298,936.30
Net Revenue before Income Tax		258,277.26
Deduct: Income Tax (1930 Taxation Year)		34,880.39
Net Revenue for the Year		223,396.87
Add: Balance of Surplus at Credit, 1st April, 1930		115,803.94
		339,200.81
Deduct: Dividends on 5% Cumulative Preferred Stock		200,000.00
Surplus carried forward (subject to Dominion Income Tax—(1931 Taxation Year)		$139,200.81

Cranks and Experts Alike Offer Plans To Stabilize Silver

At Same Time Many Economists Declare That as Silver is a Commodity More Than a Currency It Must be Left Alone—International Chamber Suggests Conference

By Staff Editor

WASHINGTON.—The International Chamber of Commerce has called for a world conference to discuss the critical situation of silver. The resolution calling the conference was passed only after a debate that lasted several days and that brought into the discussion silver experts and silver cranks from every part of the world, including Chinese, English, American and Indian.

Silver has leaped to the front as a world economic question of first magnitude. The serious decline in silver has written colossal sums off the purchasing power of half the world's population, largely in China, which is on a silver basis, and in India, which is just now abandoning it.

Causes of Silver Decline

In 1920 silver was $1.40 per ounce. In 1929 silver had dropped to 53.3 cents. December 30 last it was 30.75. New York bar silver now is 28 cents.

Chief causes of the silver decline are: the general decline in prices of all commodities; the reduction of the quantity of silver used in European coins; the dumping of stocks of silver by India, following its going on a nominal gold basis; the political troubles in China and India; and the rise in production of silver as a by-product of other metals.

Under ordinary circumstances declining prices tend to restrict production but this has not happened in the case of silver because such a large proportion of the production is as a by-product of other metals. At the same time that the use of silver as currency has been declining world production has risen to new levels.

Canada produces about one-tenth of the world's silver, ranking third to Mexico and the United States in production.

Many Schemes Presented

Solutions offered for the silver problem are numerous. Various schemes of stabilization are presented, most of them based upon a definite ratio of silver to gold. Bryan's famous presidential issue of 16-to-1 seems to have given way to a plea of 20-to-1, theoretical schemers demanding that the nations work out a fixed money value for silver at one-twentieth of the value of gold. More sober commentators merely ask a study of possible new uses of silver, of ways and means of curtailing production, and of possible embargoes on excess dumping of silver from such countries as India. And still more determined economists assert that as silver is a commodity primarily and is rapidly losing its value as a currency basis, no attempts at stabilization should be made.

Vague Resolution Passed

The Washington conference soon found itself beset by the complexity of the multitude of views presented and it took no stand on stabilization itself. The exact wording of the resolution is interesting, more because of its vagueness than for its definite promise of amelioration of a serious condition. It reads:

Silver Problem

"The International Chamber of Commerce, realizing the serious consequences of the present silver situation to the economic condition of the world, considers the convocation during the current year of a conference at which all interested bodies may be heard, for the purpose of seeking a solution to the problem, to be eminently desirable, and urges the National Committees to bring the matter to the attention of their respective governments."

Chinese Survey Silver

The Chinese presented a memorandum on silver and its rôle in the world depression.

The memorandum set forth that in the past two years there has been a shrinkage of half in the price of silver and that an entire lack of confidence in the future of silver has appeared in the East. The countries most interested in the price of silver were stated to be:

"China, as the only remaining important country still on a silver standard of currency. Fluctuations in the price of silver are directly reflected in exchange quotations at Hongkong, Shanghai and other business centres of China.

"India, where a large part of the national savings are held in the form of hoarded silver. The fall in silver has materially reduced the value of such savings, and inflicted heavy losses on the poorer classes of the people. If confidence in the future value of silver should fail in India, and the inhabitants of that country should, instead, acquire the habit of hoarding gold, an added strain would be placed on the present world stocks of gold, which some authorities already consider insufficient for present needs. India is, moreover, closely concerned with the value of silver, owing to the large surplus of stocks of government-owned silver she has still to dispose of in connection with her adoption of gold bullion standard of currency in 1927.

"The silver-producing countries, of which the most important are Mexico, the United States, Canada, Peru and Australia. The producing interests in these countries are, of course, solely concerned with the production and sale of silver at the best possible price. So far nothing in the nature of controlled production with the object of price maintenance has been tried with regard to silver, and any such scheme would have to contend with serious obstacles since about 70 per cent of the total production of silver is as a by-product of mines worked principally for the other metals, such as copper, lead and zinc. Such mines will normally continue to be worked so long as there is a sufficient demand and a satisfactory price for copper, lead, or zinc and the price of silver will have relatively little influence in deciding when production shall cease."

How It Hits East

Discussing the effects of the decline in silver prices the Chinese memorandum continued:

"At the present, owing to the collapse of silver, the purchasing power of no less than one-half of the world's population is being affected. Thus the manufacturers in America and Europe are having difficulty in distributing their surplus goods to silver countries. As a result, the surplus raw materials of these countries are not properly absorbed by the manufacturing nations. Thus, the silver catastrophe plays a very important part in the present world depression.

"Although there is naturally in China a considerable feeling of dissatisfaction that the exchange should have fallen so low because of the decline in silver, for which China does not share any blame, stabilization even at the present low level would be welcomed by the commercial community, because it would restore confidence and enable contracts to be placed for the American and European manufactured goods so necessary for China's reconstruction and development."

The Chinese then proceeded to argue for a world conference to stabilize silver. The object of the conference, it was stated, would be "to discover whether it is possible to secure a practical measure of stabilization for silver, rather than any particular price level for the metal."

Chinese Banker Speaks

Arguing for the calling of the conference Dr. Tsuyee Pei, manager of the Bank of China, said:

"The lack of confidence in silver as a precious metal by the peoples of the world has led to a serious crisis in the important business regions in the Far East; and, as long as a panic-stricken state of mind is permitted to prevail in these important regions, the business of the world will continue to suffer, and the duration of the depression will be prolonged. Confidence in silver must be established not merely for the benefit of silver standard countries but of all the countries of the world.

"Today, China is the largest consumer of silver in the world, closely followed by India. It is the only great silver standard country in the world. Naturally, it is greatly interested in any stabilization scheme that may be brought up for discussion. In the interest of the economic life of her own people, as well as in the interests of the promotion of world trade at large, China will co-operate to the fullest extent with the nations of the world.

"It is self-evident that manufacturing countries could sell more to the silver standard countries than they are doing at present, provided silver were stabilized. And in turn they could obtain more raw materials for manufacturing and resale. The stabilization of silver is, therefore, a matter of importance to every country in the world.

Arthur Pritchard, of Tacoma, Wash., said that the depressed position of silver has withdrawn $3,500,000,000 from the purchasing power of the world.

Opposition to Stabilization

Opposition to silver stabilization came from Dr. W. H. Coates, of Great Britain who outlined the history of silver as a currency. He said:

"The two monetary metals of the world are gold and silver. Because metallic money, like other money, serves as a medium of exchange and a measure of value, and a store of value, men have always thought, and still think, that the value of the monetary metal remains constant. Nothing could be further from the truth. A metal used for monetary purposes remains a commodity like other commodities and its value is determined in precisely the same way as that of those other commodities. In other words, its value depends upon the volume of its supply and the volume of the demand for it. The era of thinking that monetary metals remain constant in value springs from the fact that the monetary unit of any country is made by law to consist of so many grains or other measure of weight of the monetary metal in question.

"Since practically the beginning of the nineteenth century a struggle has been going on between silver and gold, in which silver is being steadily worsted. The simple reason for this is that gold, as a metal for monetary purposes, has greater advantages than silver.

Bi-metallism Fails

"For a long time an attempt was made to run these two metals in double harness under bimetallism. That method requires that the coinage law shall establish a fixed relation between the values of the two metals. Coin, when fashioned in gold, will contain a certain weight of gold and when fashioned in silver will contain another weight of silver.

"But the value of these metals determined, as stated, by the relation of supply and demand, vary in the market according to those factors. Under the bimetallic system, therefore, there is a constant swing between the coinage of the metals according to the differentiation between the market ratio of their values and the ratio established by the coinage law. The disadvantages of this system led to its gradual abandonment.

"The movement away from silver as a monetary metal is still in progress. The volume of demand for silver has therefore been radically reduced and there appears to be little hope of any ultimate and permanent revival in that demand, especially if China finally adopts the gold standard. On the side of supply there has, on the contrary, been a steady increase.

Is Mere Remedy?

"It is obvious that in these conditions the price of silver will have fallen tremendously, even when gauged in terms of other commodities in general. But during the past decade there has also been a rapid fall in the gold prices of commodities in general. In other words, the value of gold itself has been rising steadily. On the one hand, therefore, we have had silver falling in value, in terms of general commodities, and gold rising in terms of those values. The gold value, therefore, of silver has fallen even more rapidly than either of those measures.

"Is there a remedy? So far as China's own trade is concerned, in theory there should be no disturbance. China sells her exports on the world's markets and receives gold prices for them. Internal trade should remain unaffected so far as Chinese products are concerned, because internally the monetary standard has remained unaltered. It is in her purchases from abroad that China is injured on the other hand, inasmuch as her exports are paid for in gold or gold credits those credits should enable her to purchase a larger volume of silver, so providing China with the necessary means for meeting the gold prices asked for her imports. Theoretically also, the cheap price of silver should stimulate imports of silver into China which would in normal circumstances disseminate themselves throughout the country, so leading to a rise in the silver price level. In fact, Chinese imports of silver have risen largely during the past three years. These larger supplies, however, seem to have been retained mainly on the coast and not to have found their way into circulation. The reason for this no doubt lies in the disturbed conditions in China during the past few years. Were conditions normal in China, it is suggested that there would have been a considerable rise in the internal price level expressed, that is to say, in silver prices, which would have enabled foreign countries trading with China to have advanced their prices and so to have maintained their trade.

"In actual practice China's foreign trade, both import and export, is seriously injured by fluctuations in the price of silver. Between a silver standard country and a gold standard country there is no fixed mint par of exchange and fluctuations in exchange rates are, therefore, limited only by fluctuations in the gold price of silver. In fact, the gold value of the Chinese currency unit, whether expressed in taels or in dollars, is practically determined by the gold value of the amount of silver that these currency units represent.

Uncertainty is Harmful

"The majority of foreign trade transactions involve time, such as the interval of time between the acceptance of a contract and its performance or the interval of time between shipment and payment, and so on. When the Chinese exporter makes a sale he must calculate his cost in terms of Chinese currency. It is true that his sale price may be expressed in terms of a gold currency but when he comes to remit that currency home and convert it into Chinese currency, he may find that the difference between his silver price receipt and his silver cost has turned a profit into a loss or converted a moderate profit into an altogether unreasonable one. The same occurrence may accompanying an important transaction. When this transaction involves goods with a sensitive market or goods in a market which is highly competitive, fluctuations in silver prices, or fluctuations in exchange rates which is the same thing, may entirely upset calculations. Every business man knows how ruinous is the effect of uncertainty upon trade.

"Many large traders protect themselves by buying or selling forward exchange, or by hedging operations. Facilities for this method of dealing with the difficulty in China are not extensive and even when they are available they involve additional cost, because they merely shift the burden to a risk taker who must be remunerated for his trouble.

"It is these difficulties which make it essential to find some solution of the silver problem.

"In my view it is hopeless to expect the great industrial nations of the world to abandon the gold standard and to go back to all the difficulties and inconveniences of a bimetallic standard. It would also appear over-optimistic to expect that those countries which have surplus demonetised silver for sale will agree by any international convention to hold it off the market. It is also extremely doubtful whether any unity of decision can be expected of silver producers in regard to the continual tendency to expand the production of silver. Silver is becoming more and more a by-product of other metals and, as is always the case with by-products, its value tends to fall. Faced with these conditions, it seems to be open to China only to adopt one or other or both of two courses.

"The first is one she is already following, that is, of endeavoring to establish law and order throughout the whole of her country, so leading to a more peaceful state of trade and a wider measure of prosperity. The other is the adoption as early as possible of the recommendations of the Kemmerer Commission for the establishment of the gold standard. It is in this direction that I think most help can be given to China through international action. It must be recognized that the difficulties of introducing the gold standard in China, especially in finances are exceedingly great. International support will be needed but only in that way will, I suggest, this great problem of the monetary resources of a large part of the human race be satisfactorily solved.

"The Kemmerer Commission was strongly of opinion that the gold standard would supersede the silver standard in China because China's foreign trade is almost entirely with gold standard countries and also China's public debt is largely a gold standard debt and is likely to be increasingly so for many years to come.

"The Kemmerer Commission were of the opinion that to shift from the present silver unit to a gold unit of approximately the same value would involve little, if any, disturbance to prices, wages and relations between debtors and creditors. The change to a gold yardstick of value instead of a silver would avoid the rise of prices in China which is certain to take place so long as China remains on the silver standard and the gold value of silver continues to decline. The commission said that the use of the gold standard would stimulate the development of China's foreign trade, encourage the opening of new markets for her products, improve her credit abroad and increase the investment of foreign capital in the country. In doing these things it would tend to bring the Chinese price level into closer harmony with the price level of the rest of the world.

"The projects for the reform of Chinese currency have now been under discussion for over a quarter of a century. Through them runs the general conclusion that the eventual adoption of the gold standard is absolutely certain. This congress will then contribute to the solution of the silver problem by endorsing that view and by urging various national governments to co-operate in assisting China in every possible manner to convert its currency from a silver standard to a gold standard at the earliest possible moment. Projects directed to the improvement of the silver standard or to the stabilization of the value of silver are merely attempts to set back the clock and are, in my view, clearly condemned to failure."

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THE PREMIER SECURITY IN CANADA

GOVERNMENT OF THE
DOMINION OF CANADA
1931 CONVERSION LOAN

The Minister of Finance of the Dominion of Canada offers to holders of the undernoted Dominion issues the privilege of exchanging their bonds into longer dated issues, in the following terms and under the following conditions:

This offer affords to holders of bonds eligible for conversion, the same interest payment and tax-free privileges, for the life of and as contained in the present bonds, and the opportunity of extending the term of the investment at 4½% per annum.

WAR LOAN 5% BONDS MATURING 1st OCTOBER, 1931—Holders of these bonds have the privilege of exchanging into bonds maturing 1st November, 1956, bearing interest from 1st April, 1931. The first coupon will be for six months' *tax-free* interest at the rate of 5% per annum payable 1st October, 1931; the second coupon will be for seven months' interest at the rate of 4½% per annum payable 1st May, 1932; thereafter to maturity interest will be payable half-yearly at 4½% per annum.

RENEWAL LOAN 5½% BONDS MATURING 1st NOVEMBER, 1932—Holders of these bonds have the privilege of exchanging into bonds maturing 1st November, 1957, bearing 4½% interest payable half-yearly from 1st May, 1931. There will also be attached to these bonds three adjustment-coupons payable respectively on 1st November, 1931, and 1st May and November, 1932, for additional interest at the rate of 1% per annum.

VICTORY LOAN 5½% BONDS MATURING 1st NOVEMBER, 1933—Holders of these bonds have the privilege of exchanging into bonds maturing 1st November, 1958, bearing 4½% interest payable half-yearly from 1st May, 1931. The first five interest coupons, being those to and including 1st November, 1933, will be *tax-free*. There will also be attached to these bonds five *tax-free* adjustment-coupons payable respectively on 1st November, 1931, and 1st May and November, 1932 and 1933, for additional interest at the rate of 1% per annum.

VICTORY LOAN 5½% BONDS MATURING 1st NOVEMBER, 1934—Holders of these bonds have the privilege of exchanging into bonds maturing 1st November, 1959, bearing 4½% interest payable half-yearly from 1st May, 1931. There will also be attached to these bonds seven adjustment-coupons payable respectively on 1st November, 1931, and 1st May and November, 1932, 1933 and 1934, for additional interest at the rate of 1% per annum.

Conversion applications in the terms of the foregoing are invited to a total of $250,000,000. The Minister of Finance reserves, however, the right to increase or decrease this amount at his discretion.

Subscriptions will be received and receipts issued by any branch in Canada of any Chartered Bank and by recognized Canadian Bond Dealers and Stock Brokers, from whom may be obtained application forms and copies of the official prospectus containing complete details of the loan. Applications will not be valid on forms other than those printed by the King's Printer.

The subscription lists to the foregoing will open on 11th May, 1931, and will close on or before 23rd May, 1931, at the discretion of the Minister of Finance.

DEPARTMENT OF FINANCE,
Ottawa, 11th May, 1931.

THE FINANCIAL POST

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G. B. & C. TRUST COVERS DIVIDENDS ON SENIOR STOCK

Securities Held Depreciate 26 Per Cent During Year

From Our Own Correspondent

MONTREAL. — Earnings sufficient to cover dividend charges, a drop in investment reserve due to loss in sale of securities, and a depreciation of 26.19 per cent in the market value of securities held, as against book value, are the features of the annual report of Great Britain and Canada Investment Corporation for the fiscal year ended March 31, 1931.

During the twelve months period gross revenue from all sources totalled $557,213, compared with $654,802 in the preceding year. After taking care of expenses, interest and other power charges, net revenue for 1931 totalled $223,396, as against $315,803 in the fiscal year of 1930.

Carry Forward Surplus

Full particulars of the profit and loss accounts for the past two years follow:

	1931	1930
Rev. from invest.	$512,700	$447,391
Stock divds. sold	34,791	17,843
Interest earned	9,722	189,568
Gross income	557,213	654,802
Less: Expenses	13,463	71,926
Other expenses	4,919	......
Debent. interest	270,000	267,073
Other interest	10,554	......
Net revenue	258,277	315,803
Less: Income tax	34,881	......
Balance	223,396	315,803
Add: Prev. surplus	115,804	......
Less: Pfd divds.	200,000	200,000
Surplus forward	139,200	115,803

Decline in Assets

Great Britain & Canada's balance sheet as at March 31, 1931, shows total assets of $11,425,245, a drop of roughly $445,000 from the preceding year. Cash on hand shows an increase from $31,726 to $55,656. Call loans have declined appreciably, totalling $155, as against $900,000 at the end of the preceding year.

This is offset to some extent by an increase in the book value of investment securities from $10,762,182 to $11,098,568.

In the 1930 report the market value of securities owned were shown to have depreciated from book value 2.12 per cent. At the close of the past year, depreciation on the same basis, totalled 26.19 per cent.

Loss on Changes

As the current report does not give a list of securities held, it is not possible to show the changes in the corporation's investment portfolio. The investment reserve, representing net profit from the sale of investments, shows a decline from $720,323 to $173,304. During the year it was deemed advisable to make certain changes in the portfolio of investments, which have all taken some losses, which have been deducted from investment reserve accounts.

Current liabilities of the company show an increase, advancing from approximately $33,000 to $112,000.

There is no change in the amount of debentures or capital stock outstanding, while surplus now stands at $139,200, up from $115,803.

As at the end of March 31 last, the corporation had the majority of its funds invested in common stock. The type of security held in the portfolio follows:

	—Per cent— 1931	1930
Bonds	16,10	12.83
Preferred stocks	23,62	23.03
Bank stocks	2.90	2.64
Common stocks	56.55	53.54
Cash & call loans	1.83	7.96

The geographical distribution of the corporation's investment at the same date was as follows:

	—Per cent— 1931	1930
Canada	36.89	37.65
United States	40.03	40.44
British Empire (Ex. Can.)	11.19	11.16
Foreign (Ex. U. S.)	11.89	10.75

Dominion of Canada Conversion Loan

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1931
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Method Given To Figure Yield On New Bonds

Since trading in the new Dominion of Canada bonds must take into account the adjustment coupons attached until such date as these become payable, some doubt has been expressed by investors as to the method of determining yield until such time as the adjustment coupons come due. Information as to a method of procedure has been prepared by Fry, Mills, Spence & Co., as follows:

"To figure the yield from a given price it is first necessary to subtract the value of the adjustment coupons from the price, then determine the yield from a bond value table in the usual manner. It so happens that the adjustment coupons of all four issues are of such short term that their valuation changes only in the third decimal place for a variation of ¼ of 1 per cent from the present market."

Is a Handy Rule

From the price subtract the following figures, then find the yield on 4½ per cent bond in the usual way:

1931 conversion, bond due 1956, subtract .24

1932 conversion, bond due 1957, subtract 1.43

1933 conversion, bond due 1958, subtract 2.34

1934 conversion, bond due 1959, subtract 3.21

As an example, if the quotation on a new bond due in 1959 is 105, 3.21 would be subtracted leaving 101.79. An 18½ year 4½ per cent at 101.79 yields approximately 4.36 per cent. If the price is at a premium over par, figure yield to callable date.

Conversely, to figure price for a new bond at a given yield, look up the value of a 4½ per cent bond at the given yield and then add the above figures which would give the price. These figures apply only so long as all adjustment coupons are attached.

LANGLEY'S EARNINGS REFLECT PRICE CUTS

Volume of Business is Maintained; Profit Margin is Smaller

With dollar volume of sales in 1930 stated as being equal to the record volume of 1929 and actual volume of business handled being in excess of 1929, Langley's Ltd., had a net earnings of $93,982 in the year ended December 31, 1930, as compared with $157,538 in 1929. Reduction in the net profit is stated to be due to the lower margin of profit resulting from the policy of the company to reduce the price of its services. After provision for income tax and payment of $42,000 dividends on the preferred stock, the company earned at the rate of $2.15 on the 20,793 no par value common shares outstanding as compared with $5.77 per share on 20,000 shares in 1929 when dividends on the preferred amounted to only $19,274.

The liquid position of the company has been maintained with ratio of current assets to current liabilities of 4.2 to 1. Current assets amount to $171,151 as compared with $235,519 in 1929 with cash down to $20,262 from $58,877; bonds and debentures, up to $78,303 from $74,505; accounts receivable reduced to $27,844 from $59,877 and inventories up to $44,742 from $42,260. Current liabilities of $40,656 are down from $52,504 due to reduction in accounts payable at $32,740 from $41,385 and provision for income tax to $7,916 from $11,119.

Land, buildings and equipment are carried at $1,260,578 as compared with $1,095,535 in 1929 while reserve for depreciation, carried as a liability, has been increased to $174,723 from $165,054. Life insurance premiums are shown at $19,229, up from $15,773 in 1929, and deferred charges have increased to $10,011 from $7,504. Included in liabilities in 1930 is a mortgage payable of $2,500.

Preferred stock outstanding remains the same at 6,000 shares of $100 par value but during the year 793 shares of common have been issued and paid up bringing the total to 20,793 shares of no par value, carried at $219,032. Capital surplus is down slightly to $282,509 from $290,466 while earned surplus is up to $141,550 from $98,811.

Details of the income and surplus account in 1930 and 1929, when the company was publicly financed, are as follows:

INCOME AND SURPLUS ACCOUNT
Year Ended December 31

	1930 $	1929 $
Net oper. profit	87,725	144,550
Add: Misc. income	6,257	12,988
Net earnings	93,982	157,538
Less: Int. on mtges. & loans	......	11,841
Prov. for inc. tax	7,189	11,119
Net profit	86,793	134,578
Less appropriations:		
Pref. divds.	42,000	19,274
Transf. to cap. surp.	......	16,493
Balance	44,793	98,811
Add: Profit on secs.	1,057	......
Less: Adjustments	3,11	......
	42,740	98,811
Prev. surplus	98,810	......
Earned surplus	141,550	98,811

Hunting Licenses in New Brunswick

Fishing and hunting licenses issued in New Brunswick in 1930 totalled 28,418, an increase of 146 per cent over 1925, according to statistics published in the 70th annual report of the Department of Lands and Mines.

BRACKEN LIKELY TO GO TO POLLS BEFORE YEAR-END

Weakness of Opposition Parties May be Seized Upon

From Our Own Correspondent

WINNIPEG.—A provincial general election before the end of the year now appears to be a possibility. The present government, under Premier Bracken, has still another year of office ahead, and it was supposed, at the close of the last session of the legislature, that there would be another session before a general election. But the premier has taken to making weekly addresses on public affairs over the radio, and organization is now in progress in a number of constituencies. Opinion is swinging to the view that while the premier has not yet fully determined upon an election, he has resolved to get ready for one should the time, within a few months appear propitious.

The argument used by his supporters in favor of an election now is the supposed vulnerable position of the Conservative party. Manitoba went strongly Conservative in the Dominion elections, and while the present Conservative membership in the provincial house is small, it has been generally assumed that if the present government should fall, it would be the Conservatives who would succeed them. But it is presumed that the Conservative party is weaker than when the Dominion elections took place, due to disappointment at the fact that economic conditions have not improved; that Premier Bennett is accused of having shown a certain lack of sympathy with the troubles of farmers; and the public policies he has followed seemed more designed in the interests of manufacturing industries than of farming. Increased duties on butter, it is true, have been put into effect, but butter prices have, nevertheless, continued to fall, and have reached unprecedentedly low levels.

Prey on Opposition Weakness

Politically, the government cannot be said to be in a good position, and its strength is mainly in the weakness of opposing parties. The provincial Liberal party is not now in a position to offer an alternative gov-

(Continued on page 18)

May Not See Again Dominion 4½ Per Cents

Success of Present Conversion Loan Paves Way to Better Terms For Government in Refunding Remaining War Loan Bonds at Maturity

Under the terms of the Dominion of Canada 4½ per cent conversion loan holders of Victory loan and war loan bonds maturing to Nov. 1, 1934, are being given a higher rate than that prevailing for Government bonds in current transactions. The Government and its advisers in the financial community believe that it is a good thing to offer this premium in order to ensure a substantial reduction in the amount of the indebtedness which will mature in 1933 and 1934 especially. It seems obvious to financial men that the Government will be able to secure much better terms in refunding these issues at maturity if they are first reduced to manageable proportions.

Those who hesitate to exchange at present can only do so because for some reason they think that they may get a better chance at time of maturity. Predictions about Government bond prices cannot be made for years ahead any more than it is safe to make prophecies about movements on the stock market for a long period, but it is certain that the present conversion loan will make the future task of the Government easy and that it should get better terms for what remains.

Borrower's Opportunity

In individual lending it used to be said that the need of the borrower governed the rate of interest charged. The borrower's necessity was the lender's opportunity. That principle accounts for the rate of 4½ per cent on these conversion loans. It is an easy matter for the Government to arrange for paying $52,900,000 5 per cent bonds due Oct. 1, 1931, and $73,300,000 5½ per cent bonds due Nov. 1, 1932, but it is wise in reducing the total of $446,600,000 due Nov. 1, 1933, and $512,000,000 5½ per cent bonds due Nov. 1, 1934. It was wise also in offering to keep up present rates to maturity in order that bonds would be exchanged.

The Government's necessity which causes it to offer 4½ per cent now will not exist when a considerable portion of these bonds are converted. Other things being equal, it will be able to get better terms when the remaining amounts are manageable.

Another point that makes it seem advisable for present holders to take advantage of the opportunity given by the Government before May 23, or before the prime minister announces that sufficient conversion has proceeded to satisfy him, is that the United States Government disposed of its own issue on a 3½ per cent basis recently. It is apparent that Dominion of Canada bonds would sell in New York on a very favorable basis, and though it is desired to keep the larger part of the Dominion's debt owing to citizens of Canada, that situation cannot be entirely ignored.

One of the outstanding features of the present depression is that commodity prices have been dropping back to levels customary before the war. This suggests to economists the probability that bond prices will get back to pre-war levels especially as money for safe borrowers is going begging these days. It will surprise nobody to see Dominion of Canada Government bonds on a 4 per cent yield basis before the last Victory and war loan bonds now being converted would have matured in 1934. Only a war or an unexpectedly swift revival of prosperity on a scale to cause rising money rates would be likely to prevent it. The normal course is apparently for gilt-edge bonds to get worth more money for some years. Bondholders are not gamblers and will be well advised in the opinion of most investment advisers to accept the present profit offered by the conversion loan.

Precedent Suggests Conversion

For seven years after the depression of 1921 bond prices rose with few interruptions, while general business and the stock market were improving. Before the war the yield on Dominion bonds ranged from 2.98 per cent in 1901 to 3.56 per cent in 1913. What happened then may in course of time happen again. In any case those fortunate enough to own early maturing loans should seize the present opportunity to make sure that they will have a 4½ per cent return for a long term of years.

If 4 per cent happens to be the prevailing yield in 1934, present conversion loan bonds would then be worth $105.60 as compared with $100 received by those who do not convert and they would be able only to get 4 per cent on any Dominion Government bonds then offering.

KITCHEN SINKS NICKEL PRODUCT NEW TO TRADE

Pleasure Boat Also Potential Market for "Monel Metal"

That International Nickel intends to acquaint the public with its Monel Metal sinks, is evidenced by the publicity campaign inaugurated early this month.

The company is departing from its usual marketing method—is making a finished product and selling it through jobbers and distributors. To acquaint the distributors and jobbers with the merits of the new sink, an organization has been created in the United States and Canada to educate the distributors and jobbers, and through them their salesmen, of the advantages of the new product.

Known to Restaurants

"Monel Metal" sinks, while new to the domestic trade, have become the established equipment for large restaurants, soda fountains and hotel kitchens, and officials see no reason why this business should not be extended in domestic circles. While domestic sinks have been available in the past it was only on a made-to-order basis. The new sinks, in addition to coming in all standard sizes and styles, will be equipped with new fittings in keeping with the appearance of the sinks, themselves. Instead of the ordinary nickel-plated or chromium-plated fittings, new taps have been designed, composed of solid 20 per cent nickel silver. These new fixtures when burnished, match the polish of the sink.

The introduction of domestic sinks will doubtless mean more than the sale of "Monel Metal" that goes into them. With the intimate acquaintance of nickel in the home, and its advantages, there is reason to expect that a demand will be created and its use appreciated in a much broader field. While it is too early to predict results from International Nickel's new venture in marketing, great hopes are held that it will ultimately be an important source of nickel consumption.

Now Boats of Nickel

A new use of nickel was recently introduced to the public by the company that has the contract for the manufacturing the sinks—The Mullens Co., of Salem, Ohio. This company for many years has been well known as a manufacturer of pressed steel pleasure boats. At the recent New York show a cabin cruiser was exhibited with the hull constructed entirely of "Monel Metal," with a burnished finish. While "Monel Metal" pleasure crafts have been built in the past, this boat was the first one to be exhibited with a burnished hull, and created very favorable comments, not only as to its beauty, but also on account of its freedom from painting expense.

Walker's Dividend Is Cut to 50 Cents

Hiram Walker-Gooderham & Worts directors on May 11 reduced the dividend to 12½ cents for the quarter, which is equivalent to 50 cents a share annually as compared with $1 a share which has been the rate.

The decline of the stock to six has for some months indicated an expectation by traders that some such action would be taken. Even at the reduced dividend the yield at present market prices exceeds eight per cent. Current estimates are that the company will earn about 75 cents a share in the present fiscal year.

The reason given by the directors for reduction of the dividend is reduced earnings caused by the curtailment of exports and the general business depression.

C. W. Lindsay Inventories Show Decline Last Year

From Our Own Correspondent

MONTREAL.—Inventories on C. W. Lindsay & Co. at the end of its last fiscal year February 28, 1931, totalled $216,651 as compared with $258,741 at the end of the previous year.

Earnings of the company, though lower than in 1929, were equal to $2.90 a share on the common stock as compared with dividend requirements of $1 a share.

GEORGE WESTON OFFERING TO BUY INDEPENDENT CO.

Calgary Company Preferred in Arrears Since 1929

First preferred shareholders of Independent Biscuit Co., Calgary, have received a circular letter from Tull, Ardern & Tanner, investment bankers, stating that George Weston Ltd., Toronto biscuit manufacturer, offers to buy Independent Biscuit by an exchange of shares.

For ten shares of Independent Biscuit Co. first preferred with bonus of 10 shares of common, holders would receive 3½ shares of George Weston first preferred.

Independent Biscuit Co. was organized in 1927 by Harvey Shaw, former head of Northwest Biscuit Co., Edmonton, now a part of Canada Biscuit Co. Capitalization of Independent Biscuit Co. consists of $125,000 7 per cent first preferred, $50,000 of second preferred and 5,000 shares of no-par common.

The letter to shareholders states that the company needs $25,000 additional working capital. Dividends on the first preferred have not been paid since 1929. At the annual meeting in April, W. S. Henderson, F. G. Garbutt and B. S. Corey were added to the board as representatives of the first preferred shareholders.

April Asbestos Exports Register Further Decline

From Our Own Correspondent

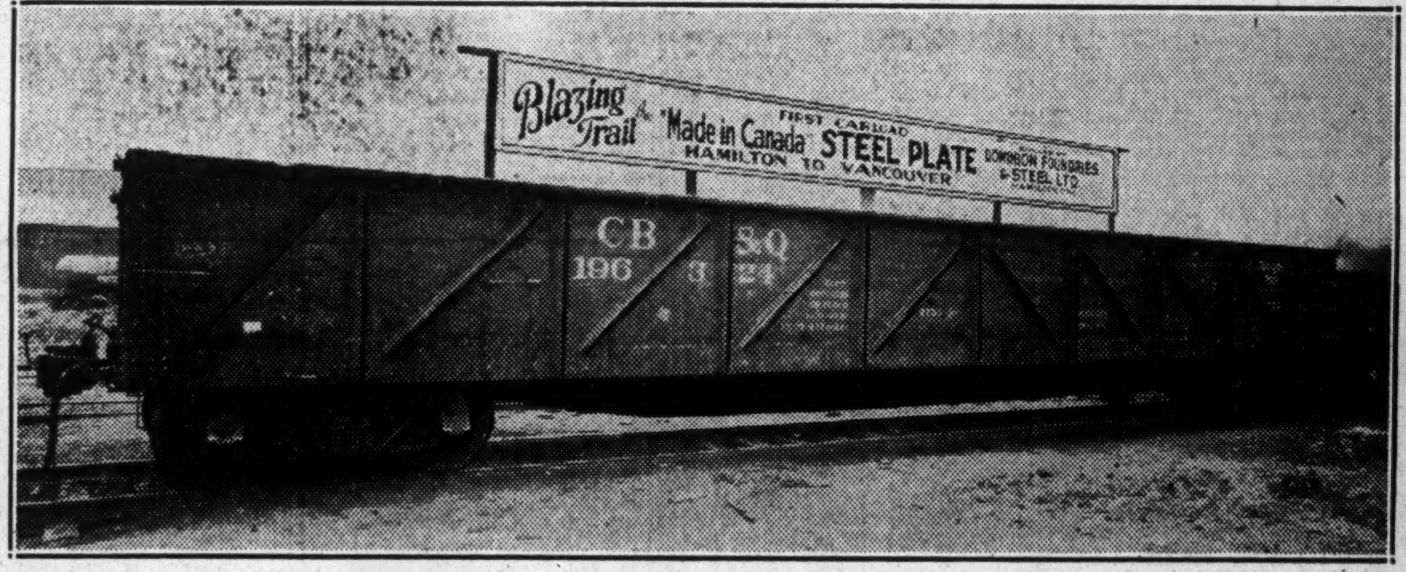
MONTREAL.—Further decreases in all kinds of asbestos shipments were recorded in April as compared with the same month in 1930. Crude number 1 shipments in April totalled 23 tons as compared with 28 last year. Crude number 2 at 46 tons was off from 83 tons in April last year and fibre shipments dropped from 7,073 tons to 3,675 tons in April this year.

Shorts in bags were shipped to the extent of 4,171 tons as against 5,520 tons in April, 1930, and refuse in bulk was down to 60 tons as opposed to 87 tons last year.

The figures cover shipments from Thetford, Black Lake, Coleraine and East Broughton.

Move to New Office

The Investment Bankers Association of Canada is now installed in new offices in Room 909, Sterling Tower building, 372 Bay St., Toronto.



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—on Freight

This is an epoch making shipment of Made-in-Canada Plate delivered all rail, Hamilton to Vancouver.

We worked it out by giving the railroads the full benefit of the standard $7.00 steel tariff on this shipment. The freight was $15.00 per ton. Our mill price was less than the F.O.B. mill price of our import competition.

Canada's development is 100 miles wide and 4,000 miles long. The problem of competitive transportation east and west with the north and south movement is large. This plan applied to long hauls helps.

—on Electric Power

Up in Arvida you see the aluminum matte brought 6,000 miles to our cheap electric power to make aluminum for the world's market.

Steel is being made electrically in a small way but cheaper than by any other process in any country. The United States developed on cheap coal power—Canada will develop on cheap electric power.

Water through the wheels converted into power, is the economist's picture of our electric power value and Canada's development.

—on Wheat

There are three standards of living in the world, North American, European and Oriental. We need just enough tariff to offset the low labor values of low wage countries and the volume costs of our neighbor.

Canada's wheat is worth $28.00 per ton up, Winnipeg or the Chicago price. Why don't we quote that price and dump into Liverpool for $22.00—relatively the same as those good British traders are doing on plate steel if they cannot get more?

Without the $10.00 per ton tariff on wheat and under free trade conditions a large population in Canada might feed on Argentine, Russian or United States dump wheat.

It is surprising how much or little farm product the individual needs relative to his purchasing power. A world-wide movement to keep purchasing power at home is evident. Circulating purchasing power at home and selling our surplus for the best price obtainable is the order of the day throughout the world.

—on Steel

Steel is the base of all industry—modern man eats, sleeps, works, plays, travels, transports and builds cities by means of steel. Steel is with us 24 hours a day. Like ants in an ant hill work with sand—so modern peoples work with steel.

Even Britain cannot lay steel plate down in Canada for less than the fair market value in Britain, and Canada cannot sell wheat F.O.B. Liverpool for less than the Winnipeg cost, plus freight.

Just now Canada is busy living up to the North American wage standard of $1.00 as compared with 50 cents and even 25 cents in other parts of the Empire. This can best be accomplished by tariffs, by manufacturing at home, and by circulating purchasing power at home.

By means of Electric Power, firm tariffs on the goods manufactured in Canada, Preferential applied to goods we want Great Britain to furnish, and the Bennett plan, Canada has a wonderful future.

C.W. Sherman

President,
The Dominion Foundries & Steel Ltd.

Dominion of Canada
1931 Conversion Loan

We offer to holders of War Loan 5% Bonds due 1931 and Victory Loan 5½% Bonds due 1932, 1933 and 1934, the facilities of our organization for the conversion of these Bonds into the new loan in accordance with the privilege extended by the Dominion Government.

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Eighteenth Annual

Financial Statement and Directors' Report

WESTERN GROCERS LIMITED

At the Annual Shareholders' Meeting of Western Grocers Limited, held at the Head Office of the Company, the Directors' Annual Report and Statement for the year 1930 was presented, and unanimously approved.

W. P. Riley, W. H. McWilliams, H. W. Hutchinson were re-elected Directors, and Frank O. Fowler was added to the Board in place of George W. Markle, recently resigned.

At a subsequent meeting of the new Board, the officers of the Company were re-elected.

REPORT TO SHAREHOLDERS

Regarding Operations

FOR THE YEAR 1930

Your Directors present herewith the Eighteenth Annual Report, covering the fiscal year ended December 31st, 1930, together with a statement of the financial condition of the Company at the close of the year.

OPERATING ACCOUNT

The income for the year was $133,777.85, after deducting all operating expenses, interest paid on bank loans and making provision for bad and doubtful debts. This, plus a refund of income tax for the year 1928 of $94.89, added to the surplus carried forward from the previous year, made a total of $505,671.66, which was dealt with as follows:

Written off for depreciation on buildings	$ 21,574.18
Written off for depreciation on delivery and warehouse equipment and office furniture and fixtures	14,189.17
Reserve for Income Tax, 1930	8,000.00
Dividends Paid on Preference Stock	83,601.00
Balance at credit of Surplus Account, December 31, 1930	378,307.31
	$505,671.66

The net income of $133,777.85, as compared with the corresponding figures for the previous year, shows a substantial reduction, all of which is directly due to the continuous decline in Grocery Commodity Prices, during all of 1930, and also to the absorption of the loss sustained when the Sales Tax was reduced, and to the removal of duty on British grown tea.

Sales volume, despite the lower Commodity Prices and generally depressed conditions, which have prevailed throughout the year, exceeded the volume of the previous year.

Achievements, which your Directors feel satisfied with, and which should also be gratifying to the shareholders, are reflected in the substantial reductions in Inventories, Accounts Receivable, Bank Advances and Trade obligations, thus improving the liquid position of your Company.

It is the judgment of your Directors that ample provision has been made for possible losses which may arise on Customers' Receivables.

Conditions in the West, while somewhat depressed, are not such as to cause anxiety in respect to the future of your Company's operations. Your Directors face the future with confidence in the belief that better conditions are already in evidence.

RED & WHITE STORES

The number of Red & White Stores showed a substantial and satisfactory growth. Groups of these stores are now doing business in the territory adjacent to twelve of the Company's warehouses. These stores are independently owned, but operate as a group under the Red & White merchandising plan.

Comparative Balance Sheet

ASSETS

	As at December 31 1930	1929	Increase or Decrease
Current and Working Assets—			
Cash on Hand and in Banks	$ 128,475.20	$ 135,504.76	$ 7,029.56*
Merchandise, at cost or under	1,529,517.83	1,982,512.11	452,994.28*
Accounts Receivable, Customers'	1,119,365.87	1,235,035.18	115,669.31*
Advances on Merchandise and Sundry Debtors	42,621.21	43,587.55	966.34*
Prepaid Insurance, Interest, etc.	27,225.75	37,054.78	9,829.03*
Total Current and Working Assets	$2,847,205.86	$3,433,694.38	$586,488.52*
Investments—			
Real Estate, not in use for Warehouses, and other Investments	41,731.34	41,231.34	500.00
Warehouse Properties—			
Real Estate and Buildings, less depreciation	903,592.61	923,730.79	20,138.18*
Plant and Equipment—			
Including Automobiles, Motor Trucks, Office and Warehouse Equipment, less depreciation	65,652.91	74,007.75	8,354.84*
Total Assets	$3,858,182.72	$4,472,664.26	$614,481.54*

LIABILITIES

	1930	1929	Increase or Decrease
Current Liabilities—			
Bank Loans, Secured	$ 811,100.00	$1,315,000.00	$503,900.00*
Acceptances and Accounts Payable to Trade Creditors	430,178.42	547,802.35	117,623.93*
Dividends on Preferred Shares for 3 months ended December 31, 1930	20,900.25	20,900.25	....
Dividends previously declared and still unclaimed	534.00	....	534.00
Total Current Liabilities	$1,262,712.67	$1,883,702.60	$620,989.93*
CAPITAL STOCK—			
Authorized:			
7% Cumulative Preference Shares of $100.00 each $2,500,000.00			
Common Shares of No Par Value. 30,000 Shares			
Issued and fully paid			
7% Cumulative Preference Shares of $100.00 each—11,943 shares	1,194,300.00	1,194,300.00	
Common Shares of No Par Value—16,943 Shares	1,022,862.74	1,022,862.74	
Surplus	378,307.31	371,798.92	6,508.39
Total Liabilities	$3,858,182.72	$4,472,664.26	$614,481.54*

Approved on behalf of the board.
W. P. RILEY,
G. W. MARKLE,
Directors.

Decrease*

HEAD OFFICE—WINNIPEG, MANITOBA

BRANCHES:
Cranbrook, in British Columbia
Brandon, Dauphin and The Pas, in Manitoba
Lethbridge, Calgary and Edmonton, in Alberta
Port Arthur, Fort Frances, Fort William and Kenora, in Ontario
Moose Jaw, Regina, Saskatoon, Prince Albert, Yorkton and North Battleford, in Saskatchewan

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING MAY 11

Range 1931 High	Low	Divd. Rate $	Yield in % May 9		Close May 4 (or last)	Week Ending May 11 High	Low	Close
13¾	5½	.	...	Abitibi, c.	6½	6	5½	5⅞
50	15	6	31.56	Do. pref.	20	20	18	19
105	105	7	6.66	Do. pref.	105	..	..	..
8	7	.	...	Agnew Surp., c.	7	7	7	7
88	86	7	8.14	Do. pref.	86	..	..	..
6¼	2½	.	...	Alta. Pac. Grain	4	4	2½	4
30	16	.	...	Do. pref.	18¼	16	16	16
4	3	.	...	Amal. Electric	4	..	..	..
18	12	.	...	Do. pref.	16	12	12	12
3½	2½	25c	...	Anglo Nor. Hold.	3	..	..	..
.50	.25	.	...	Asbestos, c.	.25	.40	.40	.40
2	1	.	...	Do. pref.	1	1	1	1
9	6	1	13.33	Assoc. Brew.	8	7½	7⅛	7⅛
70	67	7	10.00	Do. pref.	70	70	70	70
10	6	.	...	Assoc. Can.	7	6	6	6
69	65	4+50	6.81	Assoc. Tele.	66	66	66	66
87	87	6	6.89	Do. pref.	87	..	..	..
37¼	12¾	.	...	Atlan. Sugar	24½	24¾	24	24
105	79¾	.	...	Do. pref.	94	95	95	95
175½	168¼	10	5.78	Bk. Can. Nat.	173	173½	171½	171¾
303	274	12+2	5.03	Bk. Montreal	282	283	274	275
326	315	16	5.06	Bk. of N. Scotia	317	319	316	316
238	217	12+1	5.54	Bk. of Toronto	234	235	234	234
24	22½	1.50	6.25	Barcelona Tr.	24	..	..	..
5¼	4	.	...	Bathurst Pr.	4⅛	4⅛	4⅛	4⅛
4	2	.	...	Do. (B)	2	..	..	..
x26	26	.	...	Bawlf Grain	..	..	..	..
25	20	.	...	Do. pref.	20	..	..	..
12	6	40c	6.66	Beath & Sons	6	6	6	6
20	13½	2	14.81	Beatty Bros.	14	14	13½	13½
80	75	6	8.00	Do. pref.	75	..	..	..
8½	7	.	...	Beauharnois	8	8	7	7
93	90	7	7.77	Belding Cort.	91	90	90	90
x110	98½	7	...	Do. pref.	..	..	..	..
65	40	.	...	Belgo C. P. pf.	40	..	..	..

Range 1931 High	Low	Divd. Rate $	Yield in % May 9		Close May 4 (or last)	Week Ending May 11 High	Low	Close
6	4	.	...	H. Smith Pap.	4⅛	4¼	4	4
45¼	40	6	15.00	Do. pref.	40	..	..	..
20	17½	2	11.11	Humberstone Sh.	18	18	18	18
23½	18	1.40+50	8.26	Hunt (A)	23	..	..	..
23¼	19	1.40+50	8.16	Do. (B)	23¼	..	..	..
150	148	8	5.33	Huron & Erie M.	150	..	..	..
29¼	28½	.	...	Do. 20% paid.	28½	..	..	..
29⅞	20¼	1.40	6.82	Hydro-Electric	20¼	20½	20½	20½
225	217	12+1	5.98	Imperial Bank	218	218	217	217
18⅜	11½	50+50c	7.69	Imperial Oil	12⅞	13½	12⅜	12⅞
10½	9	35+20c	5.57	Imperial Tob.	10¼	10¼	9¾	9⅞
29	25	2	...	Int. Hyd. E. (A)	27	..	..	..
103	100	7	6.93	Inter. Mill., pf.	101	101	101	101
x92	88	6	...	Do. Series A.	..	..	..	..
20½	13⅞	60c	4.06	Inter. Nickel	14½	15⅛	14	14¾
10	5	.	...	Inter. Paints	5	..	..	..
b10	5½	.	...	Int. Pa. & Pr. A	6⅛	5⅝	5½	5½
b6	2½	.	...	Do. (B)	2¾	4¼	2½	2½
b4½	2	.	...	Do. (C)	2¼	2¼	2	2¼
b43½	24¾	7	...	Int. Paper, pfd.	28	29	26¼	29
15½	10⅞	1	8.33	Inter. Pete.	11⅝	12⅛	11½	12
8	6	.	...	Inter. Power	6¼	6¼	6¼	6¼
70⅛	64½	7	10.85	Do. pref.	67	66	64½	64½
45	38	3.50	8.75	Int. Util. (A)	40½	41¼	40	41¼
11	5¾	.	...	Do. (B)	7	7½	7	7
40	40	1	2.50	Jam. Pub. Ser.	40	..	..	..
109	106½	7	6.57	Do. pref.	106½	..	..	..
5	3¾	.	...	Kelvinator	4¾	4¾	4¾	4¾
79	75	7	9.33	Do. pref.	75	..	..	..
x40	40	.	...	King Ed. Hotel	..	..	..	..
24	10	.	...	Lake of Woods	10⅝	11	10	11
101	100	7	7.00	Do. pref.	100	..	..	..
x190	180	8	...	Landed Banking	..	..	..	..
46	37¼	3	7.50	Laura Secord	38	40	40	40
16	10	1	7.69	Lindsay, C. W.	14	13	13	13

Range 1931 High	Low	Divd. Rate $	Yield in % May 9		Close May 4 (or last)	Week Ending May 11 High	Low	Close
96	85	6.50	7.51	Do. pref.	91	87	86	86
17	10	.	...	West. Grocers	17	..	..	..
55	45	7	14.89	Do. pref.	47	..	..	..
91	85	6.50	7.14	W. St. Prod. pf.	91	..	..	..
x9	9	.	...	Whittall Can	..	..	..	..
13	10	.	...	Windsor Hotel	12	..	..	..
73	71	6.50	9.15	Do. pref.	72	71	71	71
21½	14	.	...	Winnipeg Elec.	15	15½	14⅜	15
81½	72	7	9.58	Do. pref.	74	75	73	73
‡30	30	.	...	Woods Mfg.	..	..	..	..
40	36	.	...	Do. pref.	36	..	..	..
80	80	7	8.75	Wood. Alex. J. p	80	..	..	..
x2½	1½	.	...	Zimmerknit	..	..	..	..
7	7	.	...	Do. pref.	..	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a. Stock dividend.
b. New York quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.

Winnipeg Stock Exchange

May 4

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	Home Investment	..	65
Beaver Lumber c.	..	19	Monarch Life	..	32
Do., pref.	90	100	North. Can. Mtg.	..	25
Can. Amer. Tr. shs.	..	590	Northern Trust	..	40
Can. Fire Ins.	..	85	Traders Bldg.	87	..
Can. Indemnity	126	..	Un. Gr. Growers	12½	..
Crescent Creamery	90	..	West. Breweries	2¾	3
Gt. West Life	..	510			

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)

May 12, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar pfd.	2.00	....
Allens London pfd.	31.00	....
Andian Nat'l Corp.	26.00	28.00
Brand.-Hend. com.	....	27.00
Brewing Corp. of Can. com.	....	1.25
Brewing Corp. of Can., pfd.	9.00	12.50
B.C. Pulp & Paper com.	2.00	....
B.C. Pulp & Paper 7% pfd.	45.00	55.00
Canada Biscuit pfd.	....	10.00
Can. Crush. Stone pfd.	....	80.00
Can. Dom. Sugar c.	17.00	19.25
Can. Mach. com.	6.00	10.00
Can. Mach. 7% pfd.	....	30.00
Can. Packers c.	18.00	20.50
Can. Pack. 7% pfd.	94.00	97.00
Can. Starch pfd.	70.00	....
Can. Wire & Cable pfd. w.w.	99.00	....
Can. Indust. c. "A"	....	140.00
Can. Indust. c. "B"	....	140.00
Can. Ind. 7% pfd.	122.00	....
Can. Investors c.	10.00	15.00
Can. Westinghouse.	66.00	75.00
Chase, A. W. 8% pfd.	44.00	50.00
Clifton Co. Ltd.	....	131.00
Cons. Oka Sand & Gravel com.	4.00	7.00
Copeland Flour 6% pfd.	....	16.50
Dom. Alloy Steel, 8% pfd.	1.00	2.00
Dom. Foundries & Steel pfd.	65.00	70.00
Dom. Foundries & Steel com.	9.00	11.00
Dom. Mfrs. pfd.	70.50	....
Dunlop Tire 7% pf.	100.00	104.00
Eastern Car 6% pf.	60.50	....
Eastern Dairies 7% pfd.	95.00	100.00
Edmonton Stk. Yds. pfd. bonus	....	75.00
Goderich Elev. & Transit	15.50	17.50
Greening Wire 7% pfd.	92.00	98.00
Guardian Realty pf.	52.50	....
Harding Carp. pfd.	....	67.00
Inter-City Bak. c.	44.00	....
Inter. Propriet. "A"	....	34.00
King Ed. Htl. "A"	....	25.00
Loew's London c.	1.00	2.00
Loew's London 7% pfd.	3.00	5.00
Morrow Screw Nut 7% pfd.	94.00	96.00
Nat. Grocers c.	1.00	....
Nat. Grocers 2nd 7% pfd.	43.00	52.00
Para. Oshawa c.	10.00	....
Prov. Paper pfd.	....	85.00
Rolland Paper pfd. bonus	55.00	64.00
Stand. Clay Prod. c.	25.00	....
Standard Fuel pfd. bonus	78.00	....
Supertest Petroleum "B" pfd.	19.00	224.00
Toronto Brick pfd.	66.00	....
Toronto Carpet c.	111.00	....
Toronto Carpet 8% pfd.	99.00	....
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	30.00	....
United Amuse. "A"	26.50	....
Willards Choc. 8% pfd.	....	63.00
Willards Choc. c.	....	4.50
Insurance Stocks:		
Br. Amer. Assce.	50.00	....
Canada Life Assce.	700.00	....
Canada Nat. Fire.	27.00	32.00
Can. Fire Insur.	77.00	87.00
Capital Life 20% pd.	....	23.00

	Bid	Asked
Commercial Life 10% pd.	....	24.00
Confed. Life 20% pd.	250.00	....
Continental Life 20% pd.	70.50	....
Crown Life	260.00	....
Dominion Fire	100.00	127.50
Dom. of Can. Gen.	210.00	....
Dom. Life 50% pd.	340.00	400.00
Excelsior Life 30% pd.	120.00	135.00
Fed. Fire 25% pd.	32.00	....
Fidelity Ins. of Can.	....	130.00
Great West Life	475.00	525.00
Guar. Co. of N. A.	250.00	....
Halifax Fire	16.00	20.00
Imperial Life	405.00	....
Mfrs. Life	300.00	....
Monarch Life 10% pd.	29.00	33.00
Nat. Life 25% pd.	120.00	....
Saskatchewan Life 10% pd.	....	22.50
Sovereign Life 25% pd.	29.00	32.00
Sun Life Assur.	1500.00	1600.00
Western Assur. c.	43.00	....
Western Life 20% pd.	10.00	....
Trust & Loan Stocks:		
Br. Mtg. & Trust.	185.00	....
1st Can. Gen. Invest. Trust	....	50.00
2nd Can. Gen. Invest.	....	13.50
Chartered Trust	100.00	115.00
Commercial Fin. pf.	50.00	57.50
Commercial Fin. c.	4.50	....
Deb. & Sec. com.	70.00	....
Deb. & Sec. pfd.	60.00	70.00
Guelph & Ont. Inv. par $50	60.00	67.00
Lambton Loan & Savings	78.50	....
London & Western Trust	....	175.00
Midland Loan & Savings	18.00	24.00
Mtge. Disct. pfd.	3.60	5.00
Mutual Finance pfd.	....	6.75
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust.	114.00	....
Sterling Trust	86.50	....
Traders Fin. "A" pfd.	....	80.00
Traders Fin. "B" pfd.	....	80.00
Traders Fin. c.	....	15.00
Trusts & Guarantee	85.00	91.00
Waterloo Trust & Savings	124.00	....
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	103.00	105.50
Calgary Pwr. pfd.	91.00	95.00
Can. Light & Pwr. com.	32.00	42.00
Can. Northern Pwr. pfd.	104.50	....
Can. West. Nat. Gas LH&P com.	52.00	....
Can. West. Nat. Gas LH&P pfd.	86.50	92.50
East Kootenay Pwr. pfd.	96.00	....
Gt. Lakes Pwr. pfd.	93.50	97.00
N.B. Pwr. 1st pfd.	58.00	....
N.S. L&P pfd	91.00	96.00
Ottawa LH&P 6½% pfd.	102.00	....
Power Corp. 6% pfd.	99.00	102.00

Recent London Quotations:	
Brewer Distillers	4s. 6d.
Can. & For. Sec.	8s. 9d.
Can. West. Lumber	2s. 3d.
Hudson's Bay	25s.
Do., 5% pfd.	76s.
Internat. Holdings	2⅛
Nfld. Pr. & Pap. deb.	105

Listed Bond Quotations

Week Ending May 11

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
Abitibi, 1st Mtge.	5	1953	10.42	63	53½	...	78	53½
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st Mtge.	6	1941	...	†14	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x104¾	102⅛
Can. Cottons	5	1940	6.32	†86	...	...	91	...
Can. Forgings	6	1942	6.00	†99⅞	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	7½	7	6	28½	5
Do., (Way. ser.)	5½	1958	...	†7	7	6	28½	6
Can. S.S. deb.	5	1943	...	†98½	...	...	x98¼	94
Cedars Rapids	6	1953	4.85	†104⅛	...	...	102⅝	...
Dom. Canners	6	1940	...	†104	...	...	x103	...
Dom. Coal	5	1940	...	†98⅛	...	...	x97¾	95⅞
McNish	6	1948	...	†2.25	2.55	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70¼
Mont. L. H. & Pr.	4½	1932	...	†100	...	...	x100	98⅝
Mont. Tr. 1st mtge.	5	1941	...	101	...	...	101¼	99½
Mont. Tr. "A"	5	1955	5.41	95	94½	92¾	95¼	91
Mont. Tr. G.&R. 'B'	5	1955	5.63	†94¼	...	...	93¼	91¾
Do., "C"	4½	1955	5.64	†84	...	...	85	84
Do., "D"	5	1955	5.34	†94¼	...	...	95¼	92½
N. S. Steel	5	1959	8.90	†59¼	61	59	62⅝	58
Ogilvie Flour "A"	6	1932	6.00	†100⅝	...	...	100½	100
Do., "B"	6	1932	5.47	†100⅝	...	...	x100⅜	100
Do., "C"	6	1932	...	†100⅝	...	...	x103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.79	†92½	...	...	93	92
Steel of Can.	6	1940	5.05	†106⅝	...	...	107½	106¾
Wayagamack	6	1951	8.65	65	54	...	75	...
West. K. Pr.	6	1940	5.15	†109¾	...	...	106	...
Winn. Elec.	5	1935	...	...	...	...	x98¼	...
Toronto								
Canada Bread	6	1941	5.86	†101	101	...	101	...
Postal Tel.	6	1953	...	...	...	...	x95	88¾
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	...	†101.25	101.60	101.00	101.50	100.00
Do.	5	1937	3.58	†107.85	107.85	107.55	107.85	104.00
Victory Loan	5½	1933	3.15	105.05	105.25	104.70	105.25	103.00
Do.	5½	1934	3.72	105.25	105.25	104.85	105.25	102.95
Do.	5½	1937	3.30	†111.90	112.10	111.0	112.10	107.05
Do., refund	4½	1940	4.30	†101.60	101.45	101.25	101.65	99.40
Do., refund	5	1943	4.42	†105.45	105.45	105.25	105.45	103.35
Do., refund	4½	1944	4.34	†101.80	101.80	101.36	101.80	99.45
Do., refund	4½	1946	4.33	†101.90	.....	.....	101.75	99.70
Do., renewal	5½	1932	3.20	†102.90	102.80	102.60	102.80	101.55

†—Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Winnipeg Grain Prices

Week to May 12

Crop Year from Aug. 14 High	Low		Open May 6	High for week	Low for week	Close May 12
		Wheat				
1.13⅞	.62½	May	.62	.63	.60½	.62⅞
.77¼	.54	July	.63⅛	.64	.61½	.63¼
.70¾	.57⅞	October	.64⅞	.65½	.63	.65⅜
		Oats				
.52	.26⅜	May	.28½	.29⅜	.28	.29¼
.33½	.26⅜	July	.29	.30	.28½	.30
.34⅛	.27¾	October	.31⅛	.31¾	.30½	.31¾
		Barley				
.49	.27⅞	May	.31⅜	.32	.30⅝	.31⅞
.33⅛	.23¼	July	.32	.32¾	.31⅜	.32⅝
.35	.25½	October	.34⅜	.34⅝	.33⅝	.34¼
		Flax				
1.32½	.94¼	May	1.09¾	1.08	1.04½	1.07⅞
1.11	.95½	July	1.07⅞	1.11	1.06¼	1.10½
1.13½	.99½	October	1.12	1.13½	1.10	1.12¾
		Rye				
.71	.25⅛	May	.33⅝	.37	.32½	.37
.75	.25⅛	July	.35	.38¼	.34	.38¼
.40⅛	.31⅜	October	.37⅝	.40	.36½	.40

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week of May 12

High to date*	Low		Close May 5	High for week	Low for week	Close May 12
		Wheat				
.67¾	.59⅞	May	.65⅞	.66½	.65	.....
.68⅞	.61¼	July	.67¼	.67⅞	.65½	.67⅞
.70¼	.63½	October	.69	.69⅝	.67¼	.69⅝

*Since trading opened March 3, 1931.

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Agnew Surpass pfd.	7%	1¾%	July 2	June 15
Bk. Can. Nationale	10%	2½%	June 1	May 16
Bank of Montreal	12+2%	3%	June 1	Apr. 30
Bank of Noova Scotia	16%	4%	July 2	June 15
British Amer. Oil	80c	20c	July 2	June 13
Bk. of Toronto	12+1%	3%	June 1	May 15
Brazilian Tr.	...	*Stk. div.	June 1	Apr. 30
Belding Corticelli pfd.	7%	1¾%	June 15	May 30
Can. Wire & Cable "A"	$4	$1	June 15	May 31
Do.	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Can. Wire & Cable "B"	$1.75	43¾c	June 15	May 31
Canada Vinegars	$1.60	40c.	June 1	May 15
Can. Pr. & Pap. Invest., pfd.	5%	1¼%	May 15	Apr. 30
Can. Converters	5%	1¼%	May 15	Apr. 30
Can. Bank of Commerce	12+1%	3%	June 1	Apr. 30
Consolidated Sand, pref.	$7	$1.75	May 15	Apr. 30
Canadian Oil, com.	$1	25c	May 15	May 1
Do., pref.	$8	$2	July 1	June 20
Can. Hydro Elec. pfd.	6%	1½%	June 1	May
Canadian Car, ord.	$1.75	44c	May 30	May 15
Can. Intern. Invest. pfd.	5%	1¼%	June 1	May 15
Cosmos Imperial pfd.	7%	1¾%	May 15	Apr. 30
Can. Pacific Rly. ord.	5%	1¼%	June 30	June 1
Can. Cotton, pref.	6%	1½%	July 4	June 20
Crow's Nest Coal	$3	75c	June 1	May 8
Deloraine Oil Syn.	...	5c	May 15	Apr. 1
Distillers Corp. Seag.	$1	25c	May 15	Apr. 30
De Forest Crosley	...	†20c	June 1	May 15
East Koot. Pr. pref.	7%	1¾%	June 15	May 30
Eastern Theatres, com.	$2	50c	June 1	Apr. 30
Foreign Power Secs., pfd.	6%	1½%	May 15	Apr. 30
Foundation Co. com.	$1	25c	May 15	Apr. 30
Ford Motor	$1.20	60c	June 20	May 29
Ham. United Theatres, pfd.	7%	1¾%	June 30	May 30
Hollinger Mines	65c	1	May 20	May 6
Inter. Milling 1st pfd.	7%	1¾%	June 1	May 20
Do., Series "A" pfd.	6%	1½%	June 1	May 20
Inter. Nickel, com.	60c	15c	June 30	June 1
Imperial Oil	50c	12½c	June 1	May 15
Inter. Petroleum	$1	25c	June 15	May 30
Jam. Public Ser. Ltd.	$1	25c	July 2	June 15
Jam. Public Ser., pref.	$7	$1.75	July 2	June 15
Kelvinator, pref.	7%	1¾%	May 15	May 5
Loblaw Grocet. "A" & "B"	80c	20c	June 1	May 12
Laura Secord, c.	$3	75c	June 1	May 15
Lake of Woods pref.	7%	1¾%	June 1	May 16
Langley's Ltd., pref.	7%	1¾%	May 15	May 1
Legare, P. T., pref.	7%	1¾%	June 1	May 15
Lindsay's	$1	25c	June 1	May 15
Do., pref.	6½%	1⅝%	June 1	May 15
London Can. Invest. pfd.	5%	1¼%	June 1	May 15
Morrison Brass, pfd.	7%	1¾%	June 1	May 15
McIntyre Mines	20%	5%	June 1	May 1
McColl Frontenac, com.	60c	15c	June 15	May 15
Mercury Oils	...	5c	July 2	June 15
N. S. Light, pref.	6%	1½%	June 1	May 16
Ontario Steel	80c	20c	May 15	Apr. 30
Do., pref.	7%	1¾%	May 15	Apr. 30
Penmans	$4	$1	May 15	May 5
Photo Engravers	$2	50c	June 1	May 15
Power Corp. com.	$2	50c	May 20	Apr. 30
Provincial Bank	9%	2¼%	June 1	May 15
Reliance Grain, pref.	6½%	1⅝%	June 15	May 31
Rogers-Majestic "A" & "B"	$1.20	30c	June 1	May 15
Rolland Paper pfd.	6%	1½%	June 1	May 15
Royal Bank	12+2%	3%	June 1	Apr. 30
Standard Paving	$2	50c	May 15	Apr. 30
Do., pref.	$7	$1.75	May 15	Apr. 30
Southern Can. Power c.	$1	25c	May 15	Apr. 30
Simon, H. & Sons	$2.50	62½c	June 1	May 20
Do., pref.	$7	$1.75	June 1	May 20
Sher. Williams	$1.60	40c	June 30	June 15
Do., pref.	7%	1¾%	June 30	June 15
Standard Steel pref. "A"	$3	75c	July 1	June 15
Walker, Hiram	50c	12½c	June 15	May 22
Wellington Oil & Gas	...	5c	....	May 15

*One share for each 50 shares held. †Extra dividend.

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	105	105.50	3.20
Dominion of Canada 5½/34	105	105.50	3.80
Dominion of Canada 5/43	105.85	106	4.35
Dominion of Canada 4½/46	101.75	102.50	4.28
C. N. R. 4½/54 (D. of Canada)	100.75	101.25	4.42
C. N. R. 5 /54 (D. of Canada)	105.75	106.50	4.55
C. N. R. 4¾/55 (D. of Canada)	103.25	104	4.48
C. N. R. 4½/56 (D. of Canada)	101	101.50	4.40
C. N. R. 5 /69 (D. of Canada)	106.50	107.75	4.57
Province of Ontario 4½/44	100	101	4.45
Province of Ontario 5 /48	105	106.50	4.48
Province of Ontario 4¾/70 (Hydro)	102.75	103.75	4.55
Province of Quebec 4½/50	100	101	4.45
Province of Quebec 4½/56	100	101	4.45
Abitibi Power & Paper 5/53	50	53	11.00
Algoma Steel Corporation 5/62	50	55	8.35
Argentine Gov't. 6/58 Ser. B	89	91	6.90
Bell Telephone Co. of Canada 1st, 5/57	105	106.50	4.55
Brazil, U. S. Ext. S. F. 6½/57	48	50	12.00
British American Oil 5/45	96	99	5.10
British Columbia Power 5½/60	102.75	104	5.25
British Columbia Telephone 5/60	99	101	4.95
Calgary Power 5/60	95	97	5.20
Canada Cement 1st Mtge. S. F. 5½/47	100	102.75	5.30
Canada Northern Power 5/53	90	93	5.55
Canada Light & Power 1st, S. F. 6/49	95	98	5.15
Canada Steamship Lines 1st & Gen. 6/41	58	62	12.00
C. P. R. Secured 4½/44 Notes	104	105.50	4.60
C. P. R. Collateral Trust 5/54	98	100	4.50
Chile Republic Ext. S. F. 6/60	70	73	8.50
Colombia Republic Ext. S. F. 6/61	60	62	10.00
Davies, Wm. 6/42	93	96	6.35
Dominion Steel Corporation 6/39	82	85	9.50
Dominion Square Corporation 6/48	78	82	7.90
Dominion Tar & Chemical 6/49	101	103	5.70
Dominion Textile 6/49	105	106	5.45
Duke Price Power 1st, 6/66	104	106	5.60
Eastern Dairies, Convertible 6/49	98	100	6.00
Eaton, T. Realty, 5/49	94	97	5.25
Foreign Power Securities Corp. 6/49	88	94	6.55
French National Mail Ext. S. F. 6/52	102.50	105	5.60
Gatineau Power, 1st Mtge. 5/56	90	92	6.60
Gatineau Power, S. F. Debs., 6/41	86	90	7.40
Howard Smith Paper Mills 5½/53	60	65	8.50
Manitoba Power, 1st, S. F. 5½/51	90	93	6.08
Massey-Harris, 1st Mtge. 5/47	58	62	8.50
MacLaren Quebec Power 5½/61	93	96	5.80
Montreal Coke, 1st, 5½/47	102.50	103.50	5.15
Montreal Island Power 5½/57	100	102	5.35
Montreal Light, Heat & Power 5/51	104	104.50	4.58
Montreal Tramways 1st, Coll. Trust 6/41	100	102	4.75
Montreal Tramways Gen. Ref. 4½/55	86	90	5.20
Montreal Tramways 5/55	93.50	95.50	5.40
Moodie, J. R. 6/48	97	100	6.00
Nova Scotia Steel & Coal, 1st 5/59	58	62	8.65
Nova Scotia Steel & Coal 6% Debs.	30	40	...
Ogilvie Flour Mills 6/32	100	102	4.60
Ontario Power Service 5½/50	82	86	6.80
Power Corporation of Canada 4½/59	85	90	5.20
Price Bros. 1st S. F. Ser. "A" 6/43	97	100	6.00
Quebec Power 1st, Mtge. Coll. S. F. 5/68	102	105	4.70
Rio de Janeiro Trams. 5/35	97	100	6.00
Shawinigan Water & Power 4½/70	96	97.50	4.65
Shawinigan Water & Power 5/70	103	105	4.70
Simpsons 6/49	100	102	5.80
Southern Canada Power 1st, 5/55	101.75	102.75	4.80
United Securities Coll. Trust 6½/52	100.75	102.50	5.30
West Kootenay Power 5/56	98.50	100	5.00
Windsor Hotel 6½/43	102	104.50	5.90
Windsor Hotel 6/47	96	100	6.00
Winnipeg Electric 5/35	99	100.50	4.85
Winnipeg Electric 6/54	90	95	6.40

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Premium)	Low
May 6	9-128	3-64	5-16	5-16
May 7	3-64	3-64	25-64	5-16
May 8	1-16	3-64	27-64	13-32
May 9	1-16	3-64	11-32	19-64
May 11	3-64	1-32	11-32	3-16
May 12	3-64	1-32	7-32	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 6	4.86 11-32	3.90 7-8	5.23 7-16
May 7	4.86 3-16	3.90 7-8	5.23 7-16
May 8	4.86 9-32	3.90 15-16	5.23 7-16
May 9	4.86 1-4	3.91	5.23 3-8
May 11	4.86 3-16	3.91 1-8	5.23 3-8
May 12	4.86 3-32	3.91 1-4	5.23 3-8

FOREIGN EXCHANGE

Par		April. 28	May 5	May 12
5.26	Italian	5.23¾	5.23¼	5.23¼
23.80	German	23.88	23.82½	23.82½
13.90	Belgian	13.91½	13.90½	13.90½
49.80	Japanese	49.40	49.40	49.40

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QUE. TELEPHONE GROSS EARNINGS ARE MAINTAINED

Higher Expenses Cut Into Net Income During Past Year

From Our Own Correspondent

MONTREAL.—Gross earnings of Quebec Telephone & Power Co. were maintained in 1930, but increased operating expenses, lowered the amount available for distribution on the class "A" and "B" stocks.

According to the annual statement of the company, gross operating revenue totalled $191,133. This compared with $194,868 in the preceding year. After taking care of operating expenses, there remained a net operating income of $87,567, as against $106,501 in 1929.

Share Profits Lower

Prior charges, such as bond interest, interest on floating debt, etc., were less in 1930, so that net profits totalled $32,644, compared to $41,821 in the previous year. This was equivalent to 83 cents a share on the 36,286 shares of class "A" stock outstanding at the end of the year, as against $1.17 in the previous year on 35,892 shares of stock.

Full particulars of the profit and loss account follow:

	1930 $	1929 $
Gross income	191,133	194,868
Less: Expenses	103,566	88,367
Net oper. income	87,567	106,501
Less: Int. on bonds	15,025	23,583
Int. on flt. debt	10,253	9,350
Depreciation	29,645	29,526
Other deductions	......	2,221
Net profit	32,644	41,821
Add: Adjustments	996	......
Less: Minority equity	2,848	516
Dividends	29,440	52,043
Surplus	1,352	*10,738
Brt. forward	394,758	409,514
Adjustments	......	4,018
Balance	396,610	394,758
Add: Minority int.	516	
Less: Nat. Tel. adjust.	340,800	
Do., bond prem.	1,435	
Carried forward	54,391	

The financial plan through which it was proposed to redeem all funded debts of the company and its subsidiaries and to provide for sufficient working capital, did not materialize owing to the failure of the stock underwriters. Furthermore, conditions were such that the stock left in the treasury could not be sold on a favorable basis, nor did the market permit the economical floating of bonds.

In view of these conditions, the management decided to pass the quarterly dividend on the class "A" stock, due at the beginning of this year, in order to maintain a strong cash position for the payment of new interests already acquired, extensions, etc.

Purchase Minority Stocks

During the past year Quebec Telephone acquired other capital stock of its subsidiaries. In addition the preferred stock and its arrears of the National Telephone Co. was exchanged for common stock. As a consequence of this move $213,000 was written off organization expenses; new shares issued absorbed $340,800 of the profit and loss account surplus; and the premium of 20 per cent paid on the preferred stock redeemed, amounting to $42,600, was charged to unamortized debt discount and expense account.

The consolidated balance sheet as at December 31, 1930, shows total assets of $1,602,797, down from $1,933,303 at the end of the previous year. The decline is largely explained by the transactions involved in the National Telephone deal.

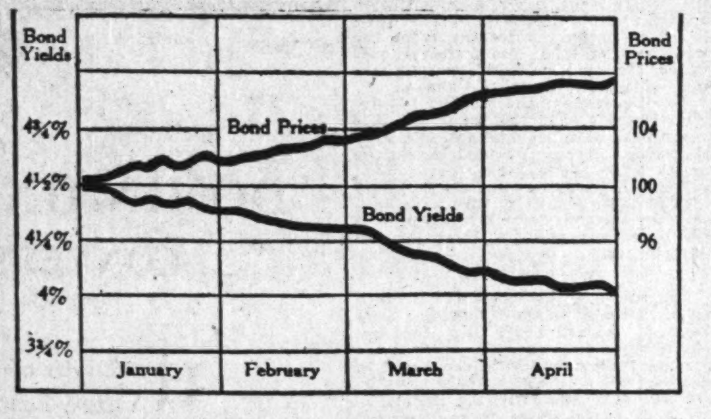
Fixed assets are carried on the books at $1,396,516, compared to approximately $1,550,000 in the previous report. The difference is due to writing down organization expense from $236,162 to $23,161. Investments and rights are shown at about the same figure, $55,087, while the difference in book value of System Corporation's stock, $167,000 to $55,514, arises out of various adjustments resulting from further absorptions.

Current assets total $50,917, as against $101,176 a year ago. Current liabilities amount to $246,700, leaving a deficit in working capital position of nearly $200,000. The previous report showed an excess of current liabilities over current assets of $98,034.

Unamortized debt discount and expenses has been increased from $44,289 to $96,852, due to premium paid on redeemed preferred stock of National Telephone.

The funded debt of the company was reduced during the year from $38,400 to $246,700. Depreciation reserves have been increased from $244,152 to $269,997. Class "A" and "B" stock outstanding total 26,286 and 35,196 shares, respectively, as against $35,892 shares of "A" and 33,894 shares of "B" a year ago.

Bond Yields Drop in April



The average yield of Dominion of Canada bonds continued to decline during April, according to daily computations made by A. E. Ames & Co. In the above chart, yields have been converted to the equivalent price of a 25-year 4½ per cent bond to show the movement of bond prices.

Lead Production By Con. Smelters Cut 15 Per Cent

As from May 1, 1931, Consolidated Mining & Smelting Co. has agreed to curtail lead production to the extent of 15 per cent.

In 1930 the total lead production by the company was 302,984,402 lbs., of which 251,400,000 lbs. was marketed.

The tonnages treated by the smelter have a new significance now that lead production is restricted, but is not expected to affect the small mines which ship their ore to the Trail smelter.

Shipments in tons to the Trail Smelter for the current year are as follows:

Period	Co. Mines	Other Mines
Jan.	37,678	556
Feb.	39,751	514
Mar.	41,639	803
Apr.	43,731	450
Week ended May 7	7,648	128

HOLLINGER TRUST VALUES SHRINK, MEETING REVEALS

Market Value of Investment Subsidiary Securities 63 Per Cent of Cost

At the annual meeting of Hollinger Consolidated Gold Mines, held in Montreal, on May 12, Noah A. Timmins, president of the company said its investment subsidiary, held securities, which at the present time were about 63 per cent of the book value.

Mr. Timmins comment on the situation was as follows:

"As noted last year, your investment subsidiary, the International Bond & Share Corp., took over investments of Hollinger Consolidated Gold Mines, at their market value as of Aug. 1, 1929, and gave in exchange $9,000,000 of 5½ per cent preferred stock and $2,195,980 of common stock, making a total of $11,195,980. Since the fall of 1929 the world has been under the influence of a business depression of international scope, which ranks as one of the most serious ever experienced. This situation has affected the value of all securities and in the case of your subsidiary the market value of its securities is at present about 63 per cent of their book value. During the year the corporation paid to Hollinger the two regular dividends on its preferred, and on April 30, 1931, its holdings were distributed as follows: Cash, 2.67 per cent; bonds, 20.03 per cent; preferred stocks, 11.23 per cent and common stocks, 66.07 per cent."

A. F. Brigham, general manager of the company, told the shareholders the property looked much better than it did a year ago. The Schumacher shaft, he said, was being changed from an exploration shaft to a production shaft. Production from this quarter is to be resumed in about three weeks.

A considerable development and exploration programme was undertaken last year, it was explained. In the previous year or two this class of work was curtailed awaiting the finding of Dr. Graton, of Harvard University, called in to report on the mines mineral possibilities.

Report on Cariboo Gold Attracts Interest to Area

A report on the possibilities of the gold-bearing sands of the Cariboo area has been filed with the British Columbia government, by the Pacific Great Eastern Railway.

While the report is the joint property of the railway and the government and details are withheld, it is understood to attach great importance to the area and to have estimated that $300,000,000 in gold may be recovered through scientific exploitation of the sands. The geologists of the company are understood to have been successful in tracing prehistoric river channels, running across the eastern side of the Cariboo land block of the P. G. E. Rly., surrounding Barkerville, where the offices of the divisional mining engineer of the province are located.

Official production from placer mining in the province is given as $75,582,302 between 1858 and the end of last year. In 1930 the production was $154,700, mostly from the Cariboo, Atlin and Quesnel mining divisions. The Cariboo area first opened up as a placer mining centre in 1860 and for many years later was an important centre.

Trails Are Established

In a special bulletin on placer mining last year, the British Columbia department of mines called attention to the possibilities of placer mining in the province. In order to assist in a tangible way, the department has been giving assistance by the construction of trails and roads that make it possible for prospectors and engineers to reach the area of interest to them. In doing this work the government has shown confidence in the possibilities of placer mining that has meant much to attracting capital to these older centres. Today the Cariboo area is connected with good trunk roads to all its centres, and trails from these centres have been greatly extended in the past few years.

Barkersville, the centre of the Cariboo area, is about midway between Quesnel on the P. G. E. Rly. and McBride on the Canadian National, on the east.

The government bulletin makes reference to the excellent work of W. A. Johnston and W. L. Uglow, of the Geological Survey of Canada, in reporting on the Barkerville area. The whole history of placer mining in British Columbia, the report says, shows that, in the majority of instances, altogether inadequate testing of the ground was carried out before proceeding with the installation of costly equipment and construction work. In the early days testing of the ground was primitive and in the bonanza field probably unnecessary. Later testing was done by pits, shafts and tunnels, and on the results of one favorable test, extensive plans were frequently laid out and executed. In many cases far too much was assumed without thorough knowledge.

In later years the use of churn drills have been used to test placer ground, but not as full use has been made of this device as would be desirable.

It is quite evident, continues the report, that the moral to be taken from the results obtained, on unsuccessful placer enterprises in British Columbia, is that careful and adequate testing is essential before assuming that any ground will pay to work.

Milling War Not Indicated By Price Cut

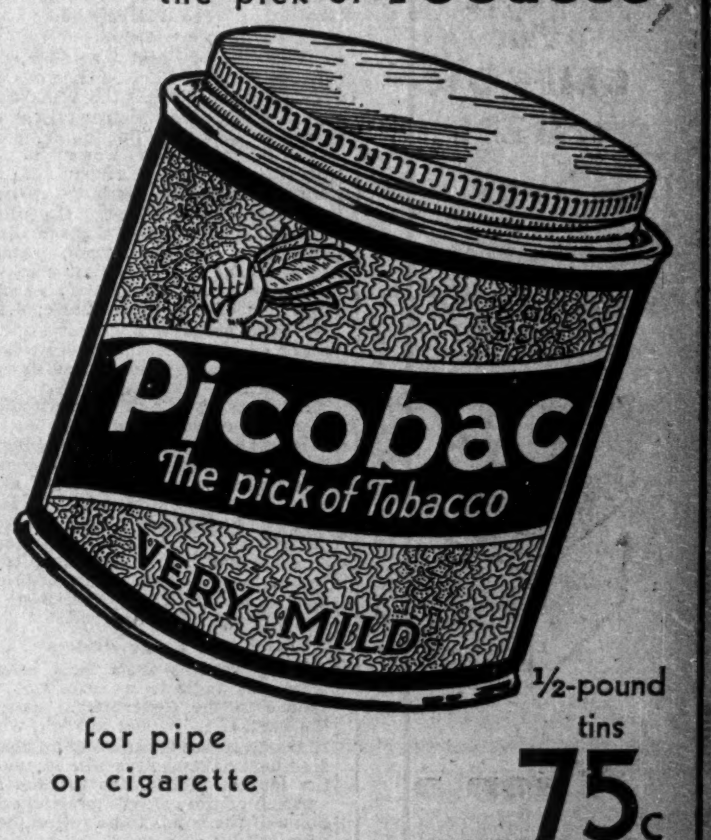
The cut in flour prices of 10 to 20 cents per barrel by a large Montreal milling company, is not to be considered an indication of an impending price was in the industry, according to those close to the situation. There have been various cuts in recent months, and in fact for some time now there has been considerable irregularity in flour prices, unlike the situation a few years ago when list prices were maintained at practically an even keel and there was little variance from these prices by individual mills.

As a matter of fact it is believed that, if anything, there has been some improvement in the price situation in recent weeks with a higher percentage of sales at list prices than was the case a few months ago. Millers are still taking advantage of their own particular position in the trade to effect sales at best possible prices but there are some indications of improvement toward more stable price conditions.

Nothing definite has materialized regarding suggestion several weeks ago that leading milling companies should arrive at some form of agreement or consolidation with a view to stabilizing conditions both in the export and domestic field. As far as is known there have not been any official negotiations although it is the private opinion of many in the industry that something must eventually be done toward "rationalizing" the industry and eliminating much obsolete equipment in order to restore prosperous conditions in the business. There is admittedly considerable over-capacity at the present time, but in view of substantial difficulties in bringing the companies together some express doubt whether any concerted action will ever be taken along these lines.

Southwest Petroleum Meeting Announced

Notice has been sent to shareholders of Southwest Petroleum Co. of an annual meeting to be held in the King Edward Hotel, Toronto, at 11 a.m., on May 23.



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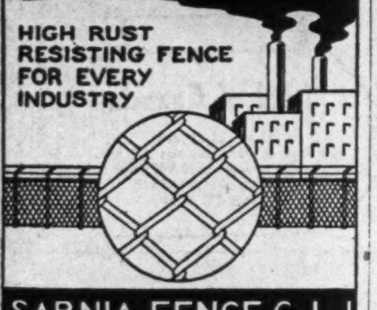

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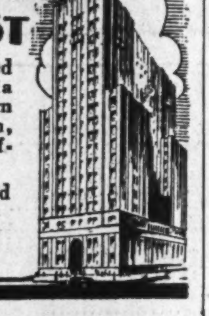

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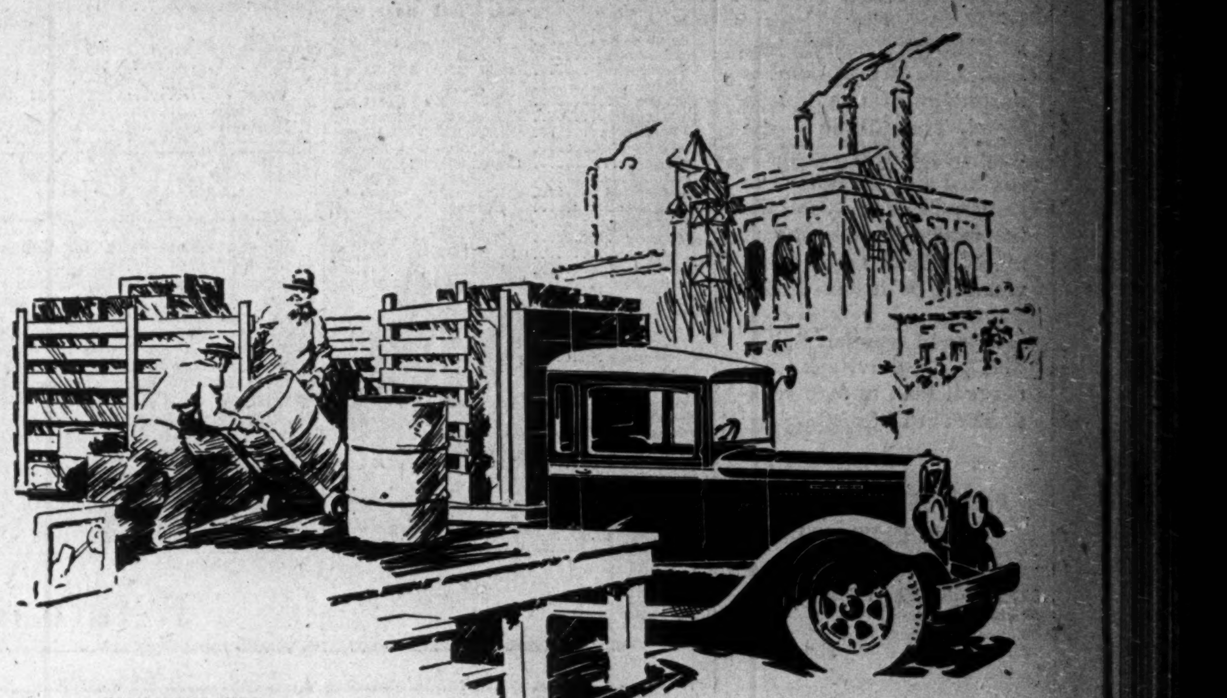

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DODGE TRUCKS
DODGE BROTHERS (CANADA) LIMITED
WINDSOR, ONTARIO
BUY CANADIAN-BUILT TRUCKS AND SUPPORT CANADIAN LABOR

Mining Stock Quotations

WEEK ENDING MAY 11

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 4 (or last)	High for week	Low for week	Close May 11
1	.23	.10	Abana	.13	.14	.12	.12
1	.03	.01	Aconda	.01½	.02	.01½	.01½
1	.05½	.03½	Adrien	.04½	....	....	....
None	x.50	.32	Aladdin	....	....	....	....
None	.50	.12	Aldermac	.40	.26	.25	.25
1	.05	.01½	Algonquin	.02	.01½	.01½	.01½
1	.02½	.01	Amity C.	.02	.02	.01½	.01½
None	.45	.27	Amulet	.31	.30½	.27	.27
1	.02½	.01	Apex	.01½	.01½	.01½	.01½
1	.05	.01½	Area	.02	.02	.02	.02
1	.01	.00½	Argo. Cons.	.00½	....	....	....
1	.08½	.01½	Arno	.06½	.07	.05	.06
1	.01½	.01½	Astoria	.01½	....	....	....
1	.02	.00½	Atlas	.01	....	....	....
1	.02½	.01	Baldwin	.01½	.01½	.01	.01½
1	.19	.08	Barry Holl.	.13½	.14	.13	.14
None	1.45	.90	Base Metals	1.00	.90	.90	.90
None	.04	.00½	Bathurst	.02½	.02½	.02	.02
5	1.75	1.25	B'Wana	1.25	....	....	....
1	x.32	.12	Bedford	....	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.09½	.03½	Bidgood	.06	.07	.05½	.05½
1	.50	.32	Big Missouri	.35	.41	.32	.34
1	.05½	.05	Blue Quartz	.05½	.05½	.05	.05
1	.12	.02	Bobjo	.06	.06	.05	.05
None	.01	.00½	Boischatel	.00½	....	....	....
1	.08	.02½	Brett Trethewey	.02½	....	....	....
1	.03	.03	Brit. Canadian	.03	....	....	....
None	.12	.03½	Brownlee	.05	.05½	.03½	.04½
1	.02	.00½	Buckingham	.01	.01	.01	.01
1	.08½	.03	Bunker Hill	.03½	.03½	.03½	.03½
None	.03	.01	Cal. Flin Flon	.01	.01½	.01½	.01½
1	.02	.01	Cambro Kirk.	.01½	.02	.02	.02
None	.05½	.02½	Canam Metals	.03	.04	.04	.04
1	.06½	.01½	Can. Kirk.	.03	.03	.02½	.02½
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.32½	.12	Canusa	.27	.31½	.27½	.29
1	.04½	.00½	Capital R.	.02½	.02½	.02	.02½
1	.26½	.15	Castle Tre.	.18	.15	.15	.15
1	.23	.08	Cen. Manitoba	.13	.14	.10	.10½
1	.08	.02½	Cen. Patricia	.04	.03½	.03	.03½
1	.02	.01½	Champion R.	.02	....	....	....
None	.59	.02	Chib. Pros.	.40	.43	.30	.30
None	.08	.03	Clericy	.03½	.05½	.03½	.04
5	10.50	4.00	Coast Copper	5.00	5.00	4.00	5.00
1	.05½	.01½	Cobalt Con.	.03	.03	.02½	.03
1	.02	.00½	Col. Kirk.	.01½	....	....	....
1	.39	.05	Columario	.22	.23	.18½	.18½
5	.80	.50	Coniagas	.80	.65	.65	.65
5	.62	.30	Coniaurum	.40	.40	.40	.40
25	188.25	90.00	Cons. Smelters	99.00	103.00	90.00	98.00
1	.01	.00½	Corona	.01	.01	.01	.01
1	.02½	.00½	Crown Res.	.01½	.01½	.01½	.01½
.	.29½	.26½	Crudome	.28½	....	....	....
None	.17	.03	Dom. Explor.	.06	.07	.06	.06
1	.03	.00½	Dom. Kirk.	.01	.01	.01	.01
None	13.25	9.00	Dome Mines	11.15	11.10	10.75	11.00
1	.01	.00½	Don Rouyn	.01	.01	.01	.01
1	.01	.00½	Dunkin	.00½	....	....	....
1	.02	.00½	Duprat	.01½	.01½	.01½	.01½
1	1.28	.20	Eldorado	.75	.76	.68	.70
None	1.70	1.25	Falconbridge	1.25	1.35	1.25	1.26
1	.08½	.02½	Federal	.05½	.04½	.04½	.04½
None	.01½	.00½	Flintoba	.01	.01	.01	.01
None	.30	.09	Gem Lake	.14	.15	.09	.11
None	.03½	.03	Gilbec	.03	.03½	.03	.03
1	.08	.02½	Goldale	.04½	.05	.05	.05
10	.25	.15	Goldfield	.18½	....	....	....
1	.01½	.00½	Gold Hill	.00½	.01	.00½	.00½
1	.11	.02½	Goodfish	.06	.06	.06	.06
1	.04	.00½	Graham	.01½	....	....	....
None	2.30	1.40	Granada	2.05	2.05	1.75	2.00
1	x.01	.00½	Grover Daley	....	....	....	....
1	.10½	.06	Grozelle	.10½	.10½	.09½	.09½
1	.03	.01	Harker	.02½	.02½	.02½	.02½
1	.04½	.00½	Hilltop	.02½	.03½	.02½	.02½
5	8.70	6.00	Hollinger	8.15	8.10	7.70	7.80
1	.38	.24	Howey Gold	.28	.31	.26	.28
None	6.30	4.10	Hudson Bay	4.50	4.80	4.20	4.75
None	.40	.31	Huronian	.33	.40	.40	.40
None	20.50	13.87	Int. Nickel	14.50	15.12	14.00	14.75
1	.03	.01½	Jackson M.	.01½	.01½	.01½	.01½
1	.34	.25	Keeley	.26	.26	.26	.26
1	.04½	.01	Keora M.	.01½	.01½	.01	.01
.	.27½	.27½	Kirk. Hud. Bay	....	.27½	.27½	.27½
1	.03	.01	Kirk. Hunt.	.02	.02	.02	.02
1	.93	.55	Kirk. Lake	.75	.77	.74	.75
1	.08	.01	Kirk. Prem.	.02½	.03	.02½	.02½
1	.11	.07	Kirk. Town.	.11	.10½	.09	.10
20c.	.02½	.00½	Koot. Flor.	.01	.01½	.00½	.01½
1	.02	.00½	La Rose	.02	.01½	.01½	.01½
.	.69	.65	Lakeland	.65	....	....	....
1	28.50	23.50	Lake Shore	27.50	28.00	27.25	27.25
1	.02	.01	Laval	.01	....	....	....
1	.02	.01½	Lebel Oro	.02	....	....	....
None	.35	.35	Locarno	.35	....	....	....
1	x.01	.00½	Lorraine C.	....	....	....	....
1	.55	.10	Macassa	.45	.45	.35½	.40
1	.12	.02	Malartic	.07½	.08	.07	.07
None	.15	.06	Mandy	.10	....	....	....
None	.06	.02	Man. Basin	.03½	.03½	.03	.03
None	x.30	.12	McDougall	....	....	....	....
1	.55	.30	McKinley	.50	....	....	....
5	26.50	20.50	McIntyre	24.50	24.60	23.00	23.25
None	.33	.10	McLeod River	.12½	.13	.11½	.13
1	.04	.04	McVittie	.04	....	....	....
1	.29	.12	MacMillan	.12	....	....	....
1	.01½	.00½	Millcrest	.01	....	....	....
5	2.84	1.46	Mining Corp.	2.34	2.49	2.14	2.22
1	*.01½	.00½	Mint Ore	....	....	....	....
1	.09½	.01	Moffatt Hall	.05½	.08	.06½	.06½
1	.04	.02	Moneta	.03½	....	....	....
1	.00½	.00½	Mtl. Rouyn	.00½	....	....	....
1	.63	.20	Moss	.44	.44½	.42½	.43½
1	.09	.01	Murphy	.06	.06	.05½	.05½
1	.07½	.03½	Newbec	.04	.04	.03½	.04
1	.40	.25	Nevada	.25	....	....	....
1	.09	.02	Night Hawk	.05	.04	.04	.04
5	1.90	1.13	Nipissing	1.25	1.20	1.15	1.15
None	29.65	14.00	Noranda	26.30	26.50	22.00	22.90
1	.50	.30	Nor. Canada	.36½	....	....	....
None	.03	.01	Old Colony	.01½	....	....	....
1	.01	.00½	Ophir	.00½	....	....	....
1	.10½	.04½	Oriole	.05½	.05½	.04½	.04½
1	.21	.07	Osisko	.12	....	....	....
1	.25	.23	Parkhill	.23	....	....	....
1	.04	.01½	Pawnee Kirk.	.03½	.03½	.03½	.03½
None	1.61	.70	Pend. Ore.	1.00	1.00	.90	.90
1	.04½	.01½	Pete. Cobalt	.01½	.01½	.01½	.01½
	.50	.50	Phy. Molybd.	.50	....	....	....
1	.01½	.00½	Picard	.00½	....	....	....
1	.12	.07	Pioneer	.10	.09	.08	.08
1	.02½	.00½	Porc. Crown	.01	.01	.01	.01
1	.02	.00½	Potter Doal	.00½	.00½	.00½	.00½
1	.45	.37½	Powell Ryn.	.45	.45	.42	.42
1	.99	.65	Prem. Gold	.85	.80	.71	.75
1	.02⅛	.00½	Preston E. Dome	.01	.00½	.00½	.00½
1	.25	.13	Quemont	.13	.18	.18	.18
1	.01½	.00½	Ribago	.01	.01	.01	.01
1	.34	.24	Rich. Rock	.33	....	....	....
1	.15	.03½	Ritchie	.05½	.05	.05	.05
1	.04	.02	R. Montbray	.02½	....	....	....
1	.05	.04	Rubec	.04	....	....	....
1	*.08	.01	Salmo Mal.	....	....	....	....
None	.25	.10½	San Antonio	.19	.17	.15½	.15½
1	.21	.16	Seven Troughs	.16	....	....	....
1	1.25	.70	Sherritt G.	.85	.88	.70	.75
1	.55	.36	Siscoe	.51	.51	.48½	.50
1	.18	.03½	So. Keora	.05	.05	.05	.05
None	.05	.02½	Stadacona	.02½	.03	.02½	.02½
1	.30	.03½	St. Anthony	.16	.15	.12½	.12½
None	.82	.51	Sud. Basin	.60	.60	.52	.52
1	.03	.01	Sud. Contact	.02	.01½	.01	.01
1	.03½	.00½	Sudbury M.	.01½	.01½	.01½	.01½
None	.04½	.01	Sudbury N.	.03	....	....	....
	.18	.17	Sullivan	....	.18	.17	.18
1	1.14	.48	Sulvanite	.85	.92	.82	.91
1	.20½	.04	Tashota	.14	.17	.14	.16
1	8.65	6.15	Teck Hughes	8.00	8.00	7.60	7.75
1	.10½	.03	Telluride	.04½	.04½	.03	.03½
1	.01½	.01½	Temiskaming	.01½	....	....	....
1	.06½	.02½	Thom. Cad'c.	.04½	.04½	.04½	.04½
1	.02½	.00½	Tough Oakes	.01	....	....	....
1	.63	.20	Towagmac	.50	.45	.35	.35
None	2.65	1.00	Treadwell	1.25	2.00	2.00	2.00
None	2.85	2.40	Tri-Metals	2.85	....	....	....
	.15	.04½	United Kirk.	.09	.10	.07	.10
	.03	.02	Vacuum Gas	.02	....	....	....
None	.86	.40	Ventures	.48	.50	.45	.50
1	.15	.01½	Vickers	.08	.09½	.09½	.09½
1	1.22	.99	Vipond	1.06	1.08	1.04	1.05
None	2.00	1.20	Waite Ack.	1.30	1.25	1.20	1.20
1	*.03	.01	West D. Lake	....	....	....	....
1	.02½	.01	West Tree	.01	.01	.01	.01
1	.27	.12½	White Lake	.14½	.14	.12½	.14
1	.06	.02	Wiltsey	.05	.04½	.04½	.04½
None	.01½	.00½	Windfall R.	.01	....	....	....
	.13	.06	Wood Kirk.	.07½	.07	.07	.07
None	3.14	1.85	Wright-Har.	2.87	3.14	2.86	3.14
			WESTERN OIL STOCKS				
1	.30	.16	Acme	.19½	.23	.19½	.21½
	.00½	.00½	Acme, Rights	....	.00½	.00½	.00½
1	*2.10	2.00	Admiral	....	....	....	....
None	.50	.50	Advance	.50	....	....	....
1	.37½	.18½	Alta. Pac.	.26	.24	.20	.20
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.08	Associated	.12	.10	.09	.10
1	1.89	1.25	Ajax	1.30	1.46	1.25	1.30
None	.12	.04	Baltac	.05	.05	.04	.04½
1	.07	.05	Black Dia.	.05	....	....	....
1	.33½	.15	Brit. Dom.	.15	.17	.15	.15
1	.32	.09½	Calmont	.11	.12	.09½	.10
None	.82	.35	Calgary & Ed.	.45	.45	.35	.35
1	.47	.12	Comm. Pete.	.14	.13½	.12	.13
None	.60	.29	Dalhousie	.30	.32	.30	.30
None	.08	.04	Devenish	.05	.04	.04	.04
None	.12	.04	Dome Oil	.04½	.05½	.04½	.05½
None	.69	.32	E. Crest	.55	.55	.39	.41
1	.05	.02	Fabyan Pete.	.02½	.03	.02	.02½
None	.60	.35	Foothills	.45	.35	.35	.35
None	.18½	.04½	Freehold	.05	.05½	.04½	.04½
1	.02	.01½	Great West.	.02	.02	.01½	.01½
None	.17	.05	Hargal	.05	....	....	....
None	.10	.03½	Herron Pete.	.03½	....	....	....
None	.07½	.05	High Sarcee	.05½	.05	.05	.05
None	2.00	.55	Home	.68	.70	.55	.60
None	.22	.09	Homestead	.09	.09	.09	.09
1	1.70	.85	Homest'd O.&G.	1.60	1.66	1.30	1.52
1	.08½	.01	Ill. Alta	.01½	.02	.01	.01½
None	.70	.17	Lowery	.17	....	....	....
1	.05	.01½	Madison	.02½	.02½	.02	.02
1	.85	.39	Mayland	.50	.50	.39	.39
None	.11	.04	McD. S. Ex.	.04	....	....	....
1	.29	.05	McD. S. M.	.06	.05½	.05	.05½
1	.72½	.28	McLeod	.37	.35½	.31	.31
None	.39	.14	Mercury	.18½	.19	.17½	.18½
None	.20	.11	Merland	.14	.13½	.11½	.11½
1	.18	.10	Mid West	.12	.11½	.11	.11
None	.38	.15½	Mill City Pete	.17	.16½	.15½	.15½
1	.49	.24	Model	.29	.29½	.25	.25
1	.18	.07	Monalta	.07	....	....	....
1	.31	.07	Moose M.	.08	.07	.07	.07
1	.04	.02	New Federal	.02	....	....	....
None	.56	.25½	Nordon	.26	.32	.26½	.31
None	.08½	.02½	Oil Select	.06½	.07	.06½	.07
None	.28	.09	Okalta	.09	.10	.09	.09½
100	27.00	25.00	Do., pref.	25.00	....	....	....
None	.22	.05	Olga Gas & Oil	.13½	.12	.09½	.11
1	.37½	.24	Petrol	.28	.29	.27	.27
None	.28	.05	Penn. Pete.	.06½	.07	.05	.05½
None	.25	.12	Ranchmen's	.13	.13½	.13½	.13½
1	.05	.01½	Regent	.02	.02	.01½	.02
None	.13	.07½	Richfield	.09	.09	.07½	.07½
None	17.75	9.00	Royalite	10.00	10.00	9.00	9.75
1	.82	.40	Sarnia Oil	.76	.76½	.55	.61
1	*.50	.15	Sioux City	....	....	....	....
1	.06½	.03½	Signal Hill	.04	.05	.03½	.05
1	.60	.25	Spooner	.27	.26	.25	.25
None	.27	.10	So. West Pete	.12½	.12	.12	.12
None	.19	.09	Sterling Pac.	.13	.12	.11	.11
	.15	.15	Turner Basin	.15	....	....	....
1	.16	.12	Turner Valley	.14	.12	.12	.12
None	.31	.13½	United	.15	.15	.13½	.14½
None	*.83	.19	Vanalta	....	....	....	....
1	.15½	.09	Vulcan	.10	.13	.12	.13
None	.05	.01½	Wainwell	.02	.02	.01½	.01½
1	.28	.15	Waite Valley	.15	....	....	....
			VANCOUVER STOCK EXCHANGE Transactions for Week to May 6				
25c.	.01	.00⅛	Bayview	.01	....	....	....
25c.	.07	.01	Beaver Silver	.05½	.06	.05½	.05½
25c.	.02½	.02	Bluebird	.02	....	....	....
25c.	.70	.50	B. C. Silver	.50	....	....	....
25c.	.02	.00½	Cork Province	.01	....	....	....
1	.20	.12	Cotton Belt	.12	.12	.12	.12
1	.04	.02	Dunwell	.02	.02	.02	.02
1	.10	.06	Duthie	.06	....	....	....
1	.90	.50	George Copper	.50	....	....	....
50c.	.05	.03	Geo. Enterprise	.03	.03	.03	.03
1	.05	.01½	Georgia River	.02½	....	....	....
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	.01	....	....	....
1	.45	.30	Golconda	.30	....	....	....
50c.	.07½	.03	Grandview	.04½	.05	.03	.03
None	27.50	27.50	Howe Sound	27.50	....	....	....
1	.17½	.11	Intern. Coal	.15	....	....	....
1	.01½	.01	Independence	.01	....	....	....
1	.01½	.01	Indian Mines	.01½	....	....	....
1	.43	.30	Jack Waite	.30	....	....	....
25c.	.02	.00½	Kootenay King	.02	....	....	....
25c.	.00½	.00½	Lakeview	.00½	....	....	....
25c.	.01	.00½	L. & L.	.01	....	....	....
1	.12	.12	Los Ang. Van.	.12	....	....	....
10c.	.03½	.01½	Lucky Jim	.02½	.02	.02	.02
2.50	.01	.00½	Marmot Gold	.00½	.01	.01	.01
50c.	.01	.00½	Marmot Metals	.00½	....	....	....
25c.	.00½	.00½	Mohawk	.00½	.00½	.00½	.00½
1	.25	.14	Montana Mines	.25	....	....	....
1	.05	.02½	Morton Woosley	.02½	....	....	....
50c.	.03½	.02	National Silver	.02½	.02½	.02½	.02½
50c.	.09½	.04	Noble Five	.05	.04½	.04½	.04½
50c.	.12½	.05	Oregon Cop.	.09	.10	.08	.09½
1	1.75	1.23	Pioneer Gold	1.64	1.67	1.60	1.62
50c.	.09	.05	Porter Idaho	.06	.05½	.05	.05½
None	.02	.00½	Premier Border	.01	.01	.01	.01
None	.55	.20	Reeves McD.	.35	....	....	....
1	.25	.11	Reno Gold	.20	.22	.21½	.21½
1	.04	.02	Rufus Argenta	.02½	....	....	....
1	.07	.04	Ruth Hope	.06	.05	.05	.05
1	.05½	.04	Silverado	.05½	....	....	....
25c.	.03	.01½	Silver Crest	.02½	.02	.02	.02
50c.	.05	.01⅛	Snowflake	.02½	.02½	.02½	.02½
1	.45	.30	Sunloch	.30	....	....	....
50c.	.01½	.01	Topley Rich.	.01½	....	....	....
5	.20	.20	Toric	....	.20	.20	.20
20c.	.01	.01	Wellington	.01	....	....	....
1	.05	.05	Whitewater	.05	....	....	....
None	.03½	.00½	Woodbine	.01	.01	.00½	.01

*Quotations for 1930. No sales recorded in 1931 to date.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$12.50	12.75	Premier	12c.	16.00
Dome Mines	$1	9.09	Royalite	50c.	....
Hollinger	65c.+5c.	8.97	Spooner Oils	6c.	....
Inter. Nickel	60c.	4.06	Sylvanite	2c.	2.19
Lake Shore	$1.20+30	5.50	Teck Hughes	60c.	7.74
McIntyre	$1	4.30	United Oils	5c.	....
Model Oils	12c.	....	Wright-Har.	10c.	3.18
Nipissing	30c.	26.08			

In NIAGARA FALLS CANADA The CLIFTON HOTEL

When a HOTEL MANAGER made a ROAD MAP

THIS GUEST was leaving early in the morning for the South. And he didn't know the road. During the evening, the manager himself made a road map for the guest. Did the guest appreciate it? He wrote back and said he never made a wrong turn.

Perhaps we're wrong in talking about such little things, when we have such big things to offer. Bigger rooms at lower prices... Roomy closets... Popular priced cafeteria or coffee shop...Central location... Even specially selected meats for all dining rooms. But somehow, it's the little extra things that bring our guests back. You'll be back, too, once you know us.

This year revisit Niagara Falls...see the gigantic rock slide of January, 1931. Enjoy the world famous hospitality of The Clifton Hotel. The Clifton is the only hotel with an unobstructed view of both The Falls and Gorge...and the spectacular illumination at night. You can dine on its veranda, or in its dining room...and look out on this world wonder. Splendid golf privileges arranged! Plan now to vacation at The Clifton this year.

REDUCED RATES AT THE CLIFTON

	1 Person	2 Persons
30 Rooms without bath	$3.00	$5.00
50 Rooms with bath	3.50	5.50
50 Rooms with bath	4.00	6.00
90 Twin-Bed Rooms	$7, 8, 9, 10, 12.	

Extra service at these 25 UNITED HOTELS

NEW YORK CITY'S only United. The Roosevelt
PHILADELPHIA, PA. The Benjamin Franklin
SEATTLE, WASH. The Olympic
WORCESTER, MASS. The Bancroft
NEWARK, N.J. The Robert Treat
PATERSON, N.J. The Alexander Hamilton
TRENTON, N.J. The Stacy-Trent
HARRISBURG, PA. The Penn-Harris
ALBANY, N.Y. The Ten Eyck
SYRACUSE, N.Y. The Onondaga
ROCHESTER, N.Y. The Seneca
NIAGARA FALLS, N.Y. The Niagara
ERIE, PA. The Lawrence
AKRON, OHIO The Portage
FLINT, MICH. The Durant
KANSAS CITY, MO. The President
TUCSON, ARIZ. El Conquistador
SAN FRANCISCO, CAL. The St. Francis
SHREVEPORT, LA. The Washington-Youree
NEW ORLEANS, LA. The Roosevelt
NEW ORLEANS, LA. The Bienville
TORONTO, ONT. The King Edward
NIAGARA FALLS, ONT. The Clifton
WINDSOR, ONT. The Prince Edward
KINGSTON, JAMAICA, B.W.I. The Constant Spring

UNITED HOTELS

Current Events in the Banking World

TALON FEATURE DOMINION BONDS NEW TO BANKERS

Conversion Loan Provides Business For All Branches

Memories of Great War days were revived in the 4,500 branches of Canada's chartered banks this week when the Bennett conversion loan was offered to holders of Canadian Victory loans throughout the Dominion. Sir Charles Gordon, president of the Bank of Montreal, heads the general committee responsible for the billion dollar campaign, while other bankers include S. H. Logan, general manager of the Canadian Bank of Commerce; M. W. Wilson, general manager of the Royal Bank; J. A. McLeod, general manager of the Bank of Nova Scotia, and Beaudry Leman, general manager of Banque Canadienne Nationale. A. J. L. Haskell, of the Bank of Montreal, is secretary of the committee.

Routine matters in the handling of the $250,000,000 conversion loan now being offered, are being looked after by a committee headed by Mr. Haskell, and including three other representatives of Canadian chartered banks, namely: T. H. Atkinson, Royal Bank; H. J. Coon, Bank of Nova Scotia; and F. C. Biggar, Bank of Nova Scotia.

Banks Large Holders

Early returns from local branch managers indicate an excellent response to the Government plan on the part of individual holders, while it also reported that Canadian chartered banks themselves will be among the largest institutions to take advantage of the conversion privileges. Some of the bonds to be retired have been selling at a very low figure in recent months with the result that many banks and insurance companies have been purchasing them whenever possible and at the present time are able to show one or two points profit on their investment.

An interesting feature of the bonds which is entirely new both to bankers and brokers in Canada is the transferable feature of what is known as the "talon." This talon is the certificate covering the extra interest which the Government will pay to present bondholders to compensate them for sacrificing a 5 or 5½ per cent bond for a 4½ per cent certificate. It also includes, in some cases, an allowance for taxation immunity during the unexpired term of the bond to be surrendered. These talons are transferable and they may be sold by holders on the open market for whatever they may be worth, which is a feature never before found on a Government security in Canada.

Not Separate Now

Eventually these talons will be attached to the engraved definitive bonds in detachable form, but as these definitives will not be ready until August 15, a slight complication arises in the meantime, because there is no detachable portion to the interim certificates now being issued. Just what the market value of these talons will be has not yet been arrived at, but it will not take long for astute traders to place a definite value on "cum talon" bonds.

In addition to their ordinary function of converting customers bonds whenever these are brought into local bank branches, the banks will also perform a useful function by acting as a clearing house for converted bonds in all municipalities where there is no assistant receiver-general to act directly for the Government.

Weekly Bank Clearings

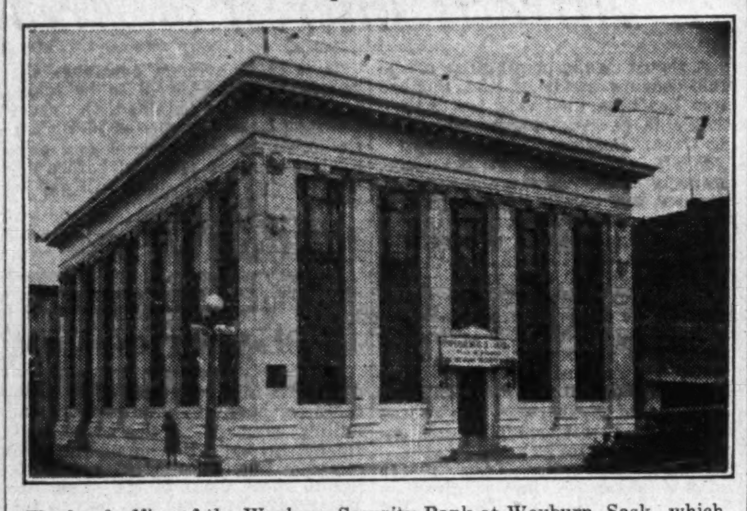
Eastern Cities

	May 8, 1930	May 7, 1931
Halifax	$ 4,104,915	$ 3,658,652
Saint John	3,404,281	2,861,816
Moncton	1,280,998	946,181
Sherbrooke	1,227,948	891,358
Quebec	10,072,156	7,427,690
Ottawa	10,685,482	10,073,442
Montreal	181,741,436	167,073,041
Kingston	1,054,179	867,224
Peterboro'	1,022,833	959,355
Toronto	139,024,986	143,070,855
Hamilton	7,003,621	6,093,140
Brantford	1,318,013	1,169,975
London	4,039,890	3,892,811
Chatham	708,725	705,210
Windsor	5,167,215	4,071,306
Sarnia	980,603	655,427
Sudbury	1,240,397	814,480
Kitchener	1,379,221	1,312,134

Western Cities

	May 8, 1930	May 7, 1931
Fort William	$ 921,462	$ 875,227
Winnipeg	61,326,204	46,411,890
Brandon	598,410	501,577
Regina	4,769,631	4,070,355
Moose Jaw	1,248,907	1,301,729
Saskatoon	2,689,930	2,915,821
Prince Albert	486,391	470,101
Edmonton	6,966,564	4,852,060
Calgary	9,259,594	7,554,527
Medicine Hat	372,140	296,409
Lethbridge	561,736	438,958
Vancouver	19,887,880	17,696,636
New Westminster	960,811	771,970
Victoria	2,907,447	2,450,732

Now an Imperial Bank Office



The head office of the Weyburn Security Bank at Weyburn, Sask., which on May 1 was officially taken over by the Imperial Bank after all the legal formula which surrounds such a procedure had been complied with.

Savings Deposits Rise Twenty Million in Quarter

March Returns of Chartered Banks Show $10,000,000 Increase Alone—Credit Position Continues to Ease

An increase in deposits of $46,600,000 and a further easing of credit to the slackest point since the spring of 1928 is indicated by the returns of Canadian chartered banks as at March 31, released by the minister of finance from Ottawa this week.

Of the total increase in deposits, $9,799,000 is due to savings the remainder to increased demand deposits. It is interesting that since the beginning of the year savings deposits have steadily increased, the cumulative increase over the December, 1930, figures being $19,477,000. The increases in each month over the preceding month are as follows: January—$2,891,000; February—$6,787,000; and March—$9,799,000. It also is worthy of note that for the first time in 24 months, the savings deposit figures show an increase over the corresponding figure in the previous year. At one time savings deposits had dropped almost $90,000,000 behind the corresponding figure of the previous year.

Credit conditions as measured by The Financial Post index of bank credit showed a further easing during the month, the index (which is the ratio of current and call loans in Canada, to demand and savings deposits in Canada) declining to 63.7 as compared with 65.8 the previous month and 76.5 in March, 1930. This is a decline of nearly 13 per cent from the March, 1930 figure, it will be noticed.

	Mar., 1931	Feb., 1931	Change	Mar., 1930	Change
ASSETS					
Immediately Available Liquid Resources					
	$	$	$	$	$
Specie	69,185,696	74,424,949	— 5,239,253	69,083,049	+ 102,647
Dom. notes	100,110,463	102,877,125	— 2,766,662	114,572,286	— 14,461,823
Gold reserves	27,030,866	25,430,866	+ 1,600,000	44,080,866	— 17,050,000
Foreign banks	116,629,712	107,711,049	+ 8,918,663	82,029,240	+ 34,600,472
Foreign curr.	15,379,898	16,168,127	— 788,229	16,808,834	— 1,428,936
Gov't secs.	437,601,325	426,901,296	+10,700,029	275,165,703	+162,435,622
Call loans abroad	137,060,606	132,048,289	+ 5,012,317	183,714,025	— 46,653,419
	902,908,566	885,561,701	+17,436,865	785,454,003	+117,544,563
Loans and Securities Other Than Those of Canadian Government					
Public secs.	150,029,997	164,295,595	—14,265,598	91,152,045	+ 58,877,952
Railway secs.	61,057,180	62,796,333	— 1,739,153	51,345,985	+ 9,711,195
Can. call loans	175,371,017	186,435,667	—11,064,650	231,071,768	— 55,700,751
Current loans	1,115,150,957	1,115,837,914	— 686,957	1,346,726,423	—231,575,466
Loans abroad	224,335,190	222,264,107	+ 2,071,083	278,842,909	— 54,507,719
Prov. & Mun. loans	154,341,613	141,776,197	+12,565,416	120,135,653	+ 34,205,960
	1,880,285,954	1,893,405,813	—13,119,859	2,119,274,783	—238,988,829
Other Assets					
Non-curr. loans	7,922,031	7,800,748	+ 121,283	7,520,116	+ 401,915
Real estate	6,125,330	6,070,292	+ 55,038	5,284,151	+ 841,179
Mortgages	6,878,502	6,962,646	— 84,144	7,269,633	— 391,131
Premises	78,609,975	78,622,032	— 12,057	76,090,318	+ 2,519,657
Lets. of credit	72,808,761	76,706,486	— 3,897,725	90,642,445	— 17,833,684
Loans to comp.	11,995,047	11,384,794	+ 610,253	12,347,712	— 352,665
Other assets	1,689,509	1,826,602	— 137,093	2,136,839	— 447,330
	186,029,155	189,373,600	— 3,344,445	201,291,214	— 15,262,059
Total	2,969,313,675	2,968,341,114	+ 972,561	3,106,020,000	—136,706,325
Note cir. dep.	6,809,043	6,797,431	+ 11,612	6,383,171	+ 425,872
Int. bank bal.	126,381,371	111,091,485	+15,289,886	152,470,416	— 26,089,045
Gross	3,102,504,089	3,086,230,030	+16,274,059	3,264,873,587	—162,369,498
LIABILITIES					
To the Public					
Circulation	139,422,962	143,670,894	— 4,247,932	162,860,748	— 23,437,786
Dom. Gov't	69,403,155	83,908,230	—14,505,075	45,583,619	+ 23,819,536
Prov. Gov't	20,434,183	25,688,372	— 5,254,189	27,609,331	— 7,175,148
Gov't advances	6,500,000	8,500,000	— 2,000,000	50,200,000	— 43,700,000
Deposits by Public					
Demand dep.	579,319,111	542,510,276	+36,808,835	615,768,615	— 36,449,504
Savings dep.	1,445,322,862	1,435,523,785	+ 9,799,077	1,445,311,592	+ 11,270
Total	2,024,641,973	1,978,034,061	+46,607,912	2,061,080,207	— 36,438,234
Foreign dep.	346,339,826	360,539,590	—14,199,764	397,424,007	— 51,084,181
Due to Banks Abroad, Etc.					
United Kingdom	4,107,472	4,730,939	— 623,467	10,633,636	— 6,526,164
Foreign	68,554,404	54,129,226	+14,425,178	62,671,862	+ 5,882,542
Bills payable	3,956,165	4,576,382	— 620,217	4,877,703	— 921,538
Lets. of credit	72,808,761	76,706,486	— 3,897,725	90,642,445	— 17,833,684
Other liabilities	3,394,354	3,321,680	+ 72,674	4,427,344	— 1,032,990
Public liab.	2,759,563,255	2,743,805,860	+15,757,395	2,918,010,902	—158,447,647
Due between banks	14,568,820	14,926,428	— 357,608	14,411,604	+ 157,216
Liability to Shareholders					
Dividends	802,257	3,518,035	— 2,715,778	769,992	+ 32,265
Reserve	162,225,000	162,225,000	......	160,074,599	+ 2,150,401
Capital	145,024,560	145,024,560	......	144,237,688	+ 786,872
Gross	3,082,183,892	3,069,499,883	+12,684,009	3,237,504,785	—155,320,893
*Credit Index	63.7%	65.8%	2.1%	76.5%	— 12.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Bank Chat

The Canadian Bank of Commerce announces that Silton, Sask., sub-agency to the Craven branch was closed on May 9. The North Hatley, Que., branch will not be placed on a sub-agency basis until May 30 and for 1931 a daily service will be rendered from June 1 to October 1. In subsequent years the daily service will be maintained from June 15 to October 15. During the balance of the year the branch will be open Tuesday and Friday of each week.

E. R. C. WILCOX, manager at Swan River, Man., for the Canadian Bank of Commerce, has been appointed manager at Treherne, Man.

Bank of Montreal will open a new branch in Toronto on or about May 15 at 955 Bloor St. West, which will be designated Delaware Ave. and Bloor St. branch. H. L. E. ALDRICH will be the manager of the new branch.

Bank of Nova Scotia announces the following staff appointments:

M. A. GIRVAN, formerly manager at Windsor, N.S., to be manager at Kentville, N.S.

T. G. ADAMS, formerly manager at Perth, N.B., to be manager at Windsor, N.S.

H. J. JOHNSON, formerly manager at Bath, N.B., to be manager at Perth, N.B.

J. F. PALFREY, formerly manager at Doaktown, N.B., to be manager at Aylesford, N.S.

E. N. ATKINSON, formerly accountant at Saint John, has assumed charge at Doaktown, N.B.

BENNETT OUTLINES FARM LOAN POLICY OF FEDERAL BOARD

Commons Hears How Farmers Treated When Loans Are Overdue

How loans are made to farmers under the federal farm board and its policy at the present time when such loans become overdue were features of a statement of the board's functions, policy and operations made by Rt. Hon. R. B. Bennett in the House of Commons last week. Every opportunity was being given farmers at the present time to pay off their indebtedness, said Mr. Bennett, who read in the house a memorandum on the board's policy, prepared by Dr. J. D. MacLean, chairman of the board. Mr. Bennett pointed out that the board is a non-political organization and that the Dominion Government is not responsible for initiation of proceedings against overdue loans.

The board itself, said Mr. Bennett, was constituted as a body corporate under a special act of Parliament, 1927, the members of its board being appointed for a term of years by order-in-council. The administration of the board's activities in each province is carried out through the agency of a provincial board of three members, all of whom are nominees of the provincial government. Provision is also made for the appointment of a fourth member to each provincial board, who shall be a nominee of the borrowers in each province. Initial financial assistance was given the board by the Federal Government in the form of advances up to $5,000,000, which was to be interest free for three years from the date of advance.

Sale of Bonds

The amount of the advances, however, with interest, after the initial three-year period, at the rate of five per cent per annum, is repayable out of the earnings of the board. Subsequent loaning funds are obtained through the sale by the board of farm loan bonds issued on the security of mortgages held by the board on account of loans already made. These bonds do not carry the guarantee of the Government and the payment of interest on the bonds and the repayment of capital must be provided by the board itself.

As a body corporate, the board under the act is empowered to issue capital stock. The subscribers to the said stock are limited to three classes:

The Dominion Government purchases stock of the board to the extent of five per cent of moneys loaned by the board;

Each provincial government subscribes to stock of the board to the extent of five per cent of moneys loaned in the province;

Each borrower subscribes to stock of the board to the extent of five per cent of the loan obtained.

All earnings derived by the board in the course of its operations, after providing the necessary reserves, are distributed to the shareholders in the form of dividends. Dividends on stock held by the governments, however, are limited to five per cent per annum, the borrower shareholders alone participating in the dividends declared in excess of this amount.

"As is apparent from the foregoing, the whole scheme of administration and the financial structure of the board is entirely different from the structure of the provincial boards which are or have been operating in the various provinces of Canada.

"In the case of the various provincial boards, loaning funds of the board have been provided either directly by vote of the provincial legislature or through the sale of government guaranteed securities and all the earnings of these boards in turn have been directly accounted for by the provincial board as received to the provincial government."

Policy of Board

The policy of the board was outlined by Mr. Bennett in the following memorandum received from Dr. MacLean, chairman of the board.

"The general policy of the board in dealing with cases of arrears must be framed along the following lines:

(a) In cases where there is actual inability of the borrower to pay, carry the borrower over for a reasonable length of time, provided—

1. He is making an honest effort to pay and is giving the board equal consideration with other creditors.
2. There are reasonable prospects of ability to pay within a reasonable length of time.
3. The security is not deteriorating in value, and the amount of the board's loan plus arrears and unpaid taxes has not grown to an amount which jeopardizes the board's prospects of realizing by sales proceedings the amount of the board's investment.

Naturally, where the borrower's intentions are the best but where there is no reasonable prospect of the applicant improving his position either because of other liabilities or because of lack of farming ability, and where the postponement of action means no ultimate relief to the borrower there is no object in withholding the institution of sale proceedings.

(b) Where there is ability to pay but failure to do so, the failure of the applicant to furnish either satisfactory collateral security to secure payment within a reasonable length of time or to give other satisfactory assurance of payment should be followed by either a distress on chattels or the commencement of foreclosure proceedings whichever is, under the circumstances, most appropriate."

Onus on Borrower

"The provincial boards have placed on each borrower who has professed inability to pay the onus of giving to the board satisfactory reasons for an extension of time for payment. Each such borrower has been required to submit a statement of crop returns and a statement of receipts and expenditures covering the last year's operations and an up-to-date statement of assets and liabilities, with a view to determining whether or not a good case has been made out for an extension of time for payment.

No Alberta Foreclosures

"I may say that in the Province of Alberta, where we have the largest percentage of arrears at the present time, no foreclosure or sale proceedings have been instituted in any case up to the present time. Distress warrants have been issued in not more than ten cases, and in each case where such distress warrant has been issued the borrower has made a satisfactory payment very shortly after seizure was effected.

"The responsibility of collection rests with the provincial board of each province. Distress proceedings may be instituted by the provincial superintendent on the authority of the provincial board. Sale or foreclosure proceedings, however, are instituted only on instructions from head office upon the recommendation of the provincial board.

DOMINION OF CANADA
CONVERSION LOAN

HOLDERS of Dominion of Canada Victory Loan and War Loan Bonds, maturing in 1931, 1932, 1933 and 1934, will have the opportunity of extending their investment in long term Dominion of Canada issues.

As a convenience to the public, any branch of this Bank will be glad to furnish information regarding the new Loan and effect the exchange, without charge.

The Royal Bank of Canada

Bank of Nova Scotia To Build at Bay Roberts

The Bank of Nova Scotia announces that it plans to erect a modern banking office at Bay Roberts, Newfoundland, at an early date. The bank has operated a branch at that point for many years, the branch being in charge of E. V. Hall. In addition to its Bay Roberts branch, the Bank of Nova Scotia has 13 other branches in various parts of Newfoundland which gives it first place among the Canadian chartered banks serving that colony.

Consolidated Oka Sand & Gravel Company Limited
BRICK MOULDING CORE SAND CONCRETE ASPHALT PLASTER
WASHED RIVER SAND
PIT SAND
Truck and Rail Deliveries
HEAD OFFICE:
248 McCord Street, MONTREAL, Que

Bell Telephone
Age: 51 years
Unbroken div. record: 51 yrs.
Total Assets: $200,593,881*
Surplus: $6,090,807*
(*Dec. 31, 1930)

Brazilian Traction
Age: 19 years
Unbroken div. record: 9 yrs.
Total assets: $368,956,553*
Surplus: $11,306,893*
(*Dec. 31, 1929)

Canadian Pacific
Age: 50 years
Unbroken div. record: 46 yrs.
Total assets: $1,371,969,694*
Surplus $256,980,464*
(*Dec. 31, 1930)

Dominion Bridge
Age: 19 years
Unbroken div. record: 19 yrs.
Total assets: $34,563,304*
Surplus: $4,366,504*
(*Dec. 31, 1930)

Canadian International Trustee Shares

CITS

This Canadian Fixed Trust

enables you to become joint-owner of 10 large Canadian corporations which are particularly attractive because of their sound financial position and their bright development prospects. CITS also offer a participation in the development of 15 of the largest American corporations.

Invest in CITS for SECURITY
for RETURN
for MARKETABILITY

Folder P3 will be mailed on request

Trustee Holdings Distributors Limited
Wholesale Distributors
132 St. James St. West, Montreal

DEALER INQUIRIES INVITED

The information herein contained, while not guaranteed, has been taken from sources believed to be reliable.

C14

Imperial Oil
Age: 51 years
Unbroken div: record: 17 yrs.
Total assets: $242,974,715*
Surplus: $111,487,509*
(*Dec. 31, 1929)

Imperial Tobacco
Age: 19 years
Unbroken div. record: 19 yrs.
Total assets: $71,382,400*
Surplus: $7,723,115*
(*Dec. 31, 1930)

Montreal L. H. & P.
Age: 15 years
Unbroken div. record: 15 yrs.
Total assets: $132,322,572*
Surplus: $22,974,308*
(*Dec. 31, 1930)

National Breweries
Age: 22 years
Unbroken div. record: 12 yrs.
Total assets: $17,816,900*
Surplus $5,219,866*
(*Dec. 31, 1930)

Shawinigan W. & P.
Age: 33 years
Unbroken div. record: 24 yrs.
Total Assets: $172,990,218*
Surplus: $1,385,392*
(*Dec. 31, 1930)

Steel of Canada
Age: 21 years
Unbroken div. record: 14 yrs.
Total assets: $58,961,808*
Surplus $14,502,444*
(*Dec. 31, 1930)

Return of the Chartered Banks of the Dominion of Canada March 31, 1931

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilitie	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	35,345,025	49,162,466	......	4,155,030	141,174,480	394,771,832	82,215,344	3,638,504	780,043	9,883,607	266,738	8,541,491	2,106,635	24,235	38,000,000	36,000,000	806,065,436	50,000,000	36,000,000	12	3,376,492	32,039,059	39,693,427	36,798,575
Nova Scotia	13,132,899	1,916,006	......	734,340	30,896,954	130,750,917	32,817,108	2,309,040	71,808	2,756,964	236,110	5,095,642	262,512	483,858	24,000,000	12,000,000	257,464,166	15,000,000	12,000,000	16	2,184,967	9,496,850	8,396,608	13,632,041
Toronto	6,436,719	559,183	......	869,823	24,868,021	66,299,053	......	951,306	223,544	2,508,656	......	1,384,259	101,367	4,656	9,000,000	6,000,000	119,206,590	10,000,000	6,000,000	12	1,865,012	422,300	4,942,113	6,596,289
Provinciale	3,764,510	253,015	......	90,578	5,425,374	36,374,091	......	......	......	42,634	......	8,675	52,130	8,185	1,500,000	4,000,000	51,519,194	5,000,000	4,000,000	9	332,000	261,796	389,589	3,917,800
Commerce	24,749,931	5,618,383	5,000,000	4,347,778	123,159,191	294,110,236	44,552,489	2,538,179	649,431	19,945,161	414,070	22,259,308	......	19,770	30,000,000	30,000,000	607,363,933	50,000,000	30,000,000	12	7,315,144	9,257,000	19,708,000	25,955,341
Royal	31,313,371	7,809,982	......	4,913,682	173,202,684	293,919,306	182,623,069	1,440,404	566,410	27,052,620	3,013,206	30,031,116	248,333	42,239	35,000,000	35,000,000	826,176,428	50,000,000	35,000,000	12	3,619,106	14,180,647	15,782,593	32,694,458
Dominion	6,633,353	906,132	1,500,000	466,461	27,639,556	67,565,992	2,948,893	550,507	605,461	2,382,037	26,041	4,238,893	609,662	210,567	9,000,000	7,000,000	132,283,561	10,000,000	7,000,000	12	1,344,616	1,025,000	3,136,000	6,721,263
Nationale	9,566,474	1,040,144	......	1,086,649	22,981,121	89,129,033	1,182,923	1,301,813	68,148	476,044	......	381,167	......	7,611	7,000,000	7,000,000	141,221,132	10,000,000	7,000,000	10	958,800	1,078,140	1,738,202	9,903,799
Imperial	8,146,005	1,889,779	......	3,764,490	28,592,316	70,369,465	......	1,154,498	273,432	2,018,545	......	774,688	......	1,108	8,000,000	7,000,000	131,984,331	10,000,000	7,000,000	12	275,371	1,005,242	2,868,201	8,402,730
Weyburn Security	115,325	182,225	......	5,352	607,366	1,396,363	......	191,000	......	14,065	......	......	......	28	225,000	524,560	3,261,286	1,000,000	655,700	5	30,687	27,569	23,810	153,005
Barclays (Canada)	219,350	65,840	......	......	772,048	636,574	......	493,569	869,195	1,474,071	......	93,522	13,663	......	500,000	500,000	5,637,835	500,000	500,000	......	......	11,986	106,748	224,630
Total	139,422,962	69,403,155	6,500,000	20,434,183	579,319,111	1,445,322,862	346,339,826	14,568,820	4,107,472	68,554,404	3,956,165	72,808,761	3,394,302	802,257	162,225,000	145,024,560	3,082,183,892	211,500,000	145,155,700	......	21,302,195	68,805,589	96,785,291	144,999,929

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	31,681,977	37,788,080	3,087,784	658,912	30,110,120	1,872	453,885	48,314,590	146,667,888	64,034,348	9,315,815	11,918,536	35,931,477	254,427,746	43,777,388	11,791,662	44,280,502	2,020,292	362,613	1,415,813	14,500,000	8,541,491	1,642,836	6,000,000	1,745,019	93,293	810,563,949
Nova Scotia	9,588,157	6,717,052	1,059,228	1,764,756	8,483,175	......	553,899	4,759,667	32,534,108	15,141,246	12,099,802	29,337,569	11,946,579	81,893,302	14,816,752	975,941	9,034,818	178,100	63,584	86,203	8,062,481	5,095,642	534,095	3,500,000	......	113,188	258,339,356
Toronto	434,480	4,784,614	528,440	82,903	5,008,703	......	266,998	2,253,602	25,314,066	3,420,717	2,068,719	6,644,625	......	57,984,980	......	......	4,810,174	202,907	......	38,189	3,718,484	1,384,259	289,003	1,130,866	......	......	120,367,736
Provinciale	282,715	344,952	508,205	54,639	2,028,440	2,069,738	9,262	186,014	7,190,253	4,528,287	3,323,893	5,996,040	......	19,660,691	......	......	1,934,449	145,840	431,591	495,696	2,202,938	8,675	212,600	200,000	......	234,166	52,049,091
Commerce†	9,598,965	19,000,699	2,178,630	871,792	20,205,020	8,268	549,375	13,574,728	99,027,335	19,089,874	13,399,269	38,146,861	46,033,534	212,744,842	24,138,267	3,224,653	31,914,903	2,366,837	1,991,209	2,190,794	14,923,120	22,259,308	1,250,000	8,000,000	4,184,106	349,515	611,221,914
Royal‡	14,379,667	21,449,434	3,025,656	11,562,303	24,605,560	1,123	1,439,787	36,980,313	70,653,996	24,301,785	14,733,856	50,678,826	40,538,761	294,020,915	140,444,601	6,062,423	13,567,478	2,232,748	2,180,884	1,103,813	17,065,722	30,031,116	1,750,000	3,000,000	6,065,922	480,697	832,357,397
Dominion	1,019,664	3,582,993	725,130	124,627	4,057,525	......	124,070	2,176,239	17,276,222	3,834,143	3,194,540	13,211,576	2,610,255	65,292,770	1,087,514	......	3,310,298	140,749	50,308	15,784	6,063,986	4,238,893	352,748	200,000	......	101,226	132,791,271
Nationale§	1,130,924	2,777,447	1,002,485	146,999	4,506,666	513,617	37,852	687,773	20,022,219	9,180,664	2,774,019	10,002,126	......	64,524,032	70,668	4,360,907	9,395,197	179,805	741,795	785,865	5,690,666	381,167	361,330	3,000,000	......	118,411	142,392,645
Imperial	1,029,173	3,606,952	814,185	109,067	8,166,302	838,839	75,202	3,434,680	18,101,278	6,353,089	119,105	9,231,443	......	61,950,561	......	102,818	9,355,074	243,722	153,691	514,119	6,024,495	774,688	377,293	2,000,000	......	186,165	133,561,952
Weyburn Security**	27,520	14,216	176,930	876	7,207	12,192	......	34,038	517	39,016	28,162	......	......	1,766,705	......	......	220,316	211,031	149,655	231,226	358,083	......	30,988	......	......	12,745	3,321,430
Barclays (Canada)	12,454	44,024	19,125	3,024	784,025	1,847,181	327,246	390,494	813,443	106,828	......	203,415	......	884,413	......	......	......	......	......	......	......	93,522	8,150	......	......	......	5,537,349
Total	69,185,696	100,110,463	13,125,798	15,379,898	107,962,743	5,292,830	3,837,574	112,792,138	437,601,325	150,029,997	61,057,180	175,371,017	137,060,606	1,115,150,957	224,335,190	26,518,404	127,823,209	7,922,031	6,125,330	6,878,502	78,609,975	72,808,761	6,809,043	27,030,866	11,995,047	1,689,406	3,102,504,089

Column No. 26. Of this deposit $13,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†In addition to the business of its Agency in San Francisco, the figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

**The assets and liabilities of the Weyburn Security Bank as set out in this return are subject to the provision of an agreement dated 20th January, 1931, whereby the Weyburn Security Bank will, subject to the provision of the Bank Act, be acquired by the Imperial Bank of Canada.—Footnote to Weyburn Security Bank return.

Insurance for Buyer and Seller

CAUSES OF FIRE UNDER SCRUTINY TORONTO MEET

N. F. P. A. Deliberates on All Phases of Fire Waste

That business depression had occurred for the first time in the history of this continent without an increase in fire losses, was the claim of Franklin H. Wentworth, managing director of the National Fire Protection Association which meets in Toronto this week for its 35th annual convention. The association has met in Canada on only one previous occasion, namely in 1919, when it assembled at Ottawa. Between 300 and 400 delegates are attending the meetings, which will be in session for the greater part of this week.

Mr. Wentworth credited improved physical conditions in industry and increasing emphasis on prevention work by fire departments for the fact that fire losses last year did not show the unusually large increase normally associated with a pronounced business depression.

Unconscious Incendiary

Statistics tended to reinforce the belief that it was the unconscious incendiary rather than the deliberate crook who sent up the curve of fire waste in periods of business depression, he said. Business depressions brought individual discouragement and resulted in a lack of care and vigilance, as a rule.

However, improvement in industrial physical conditions and inspection bureaus had made it possible during the present depression for a man to withhold for a time the critical surveillance of his plant without the historic too frequent result of fire, he pointed out.

Economic developments, tendencies to organize public utilities or manufacturing establishments under one management, were also responsible in a measure for the curtailment of fire hazards, he believed. In such organizations, as, for example, chain stores, competition was eliminated and each plant became solicitous for the safety of others. Old fire traps were recognized as uneconomical, abandoned and replaced by safer buildings and conditions.

Another economic phase, that of the small farm, which was being replaced by large ones, was not so favorable to fire prevention. Discouragement of the small farmer was reflected in fire waste, and his enthusiasm for fire protection could not be awakened. The result was a fire waste in farm property that was appalling, Mr. Wentworth claimed. So serious had the loss become that the United States department of agriculture was co-operating with the fire protection association to distribute literature encouraging fire prevention.

Referring to the heavy toll of human lives through fire, George F. Lewis, deputy fire marshal of Ontario and Canadian director of the association, reported that last year 311 persons lost their lives by fire in Canada, many of whom were children, he said. Sixty-two per cent of the total number of fires occurred in dwellings, bringing the total of residential fires up to 24,103, as compared with 21,216 the previous year. Poor design of buildings, flimsy construction and improper installation and handling of heating apparatus were largely responsible.

The fact that more than one-third of Canadian fires occurred in rural districts, and 56 per cent of the dwelling fires occurred in villages and farms indicated the necessity of providing properly organized community fire brigades, he said. Faulty installation and handling of heating equipment was the most frequent cause of fires, and smokers' carelessness, second.

Finds Fire Hazards Need Urgent Reform In Public Buildings

Dominion Fire Commissioner Condemns Institutions at Convention

GIVES 1930 RECORD

Fact That More Lives Were Not Lost Through Fire Said to Be Merely Good Fortune

Strong criticism of the fire protective facilities in Canada's public institutions was made last week by J. Grove Smith, Dominion Fire Commissioner, in presenting his annual statistical report on fire losses in Canada, 1930, to the Association of Canadian Fire Marshals and the Dominion Fire Prevention Association. Mr. Smith termed it a matter of major importance confronting all those interested in the protection of life and property from destruction by fire, and pointed out that it was only a matter of pure good fortune that the fatalities in institutional fires was not higher during 1930.

"While, in 1930, Canada has been fortunate in the number of fatalities occurring in public buildings, the hazard is so pronounced in vast numbers of institutions that steps to effect betterment must immediately be taken if serious future calamities are to be avoided. During the past ten years, 601 persons have been burned to death in public and institutional buildings in Canada and 871 others have been seriously injured. Throughout this period, the authorities responsible for the administration of institutional buildings have constantly been urged to action. Vague promises have been made but, with few exceptions, little has been done and the conclusion must be reached that the authorities are either too financially embarrassed or too personally indifferent to give the matter adequate consideration. The excuse invariably offered is that the majority of buildings are equipped with external iron ladder fire escapes in compliance with legal requirements and that this absolves the local administration from all responsibility. Experience demonstrates that such escapes are a menace rather than an aid to the exit of children and bed-ridden persons from burning buildings. Until government requirements provide for a more effective substitute, the hazard to life and limb in the event of fire will continue unabated.

"Still another factor affecting the loss of life by fire demands consideration. Of the thousand odd children burned to death in the past six years, four hundred and three perished during the absence of parents or other responsible persons from the homes. In many cases, small children were left alone with stoves, lamps and matches while parents absented themselves at places of amusement or in making prolonged visits to neighbors. Without being unduly severe, it should be said that fatalities under such circumstances merit public censure if no more serious condemnation.

"The aggregate fire loss in Canada in 1930 shows a decrease of over $1,000,000 from the figures for 1929, while the number of fires reported was substantially greater. Notwithstanding the widespread business depression of 1930 and the lower values placed upon all forms of merchandise, the total insured value of property in Canada increased by more than $600,000,000 over the insured value in 1929.

Fire Losses and Depression

"Among a number of points worthy of mention is the fact that, contrary to general opinion, poor business conditions do not necessarily result in an immediate increase in the fire loss. Where experience over a long period of years indicates a more or less identifiable relationship between fires and business failures, there is a distinct lag between the implied cause and its effect. During 1930, the number of cases of supposed incendiarism and the institution of criminal proceedings therein has been less than in any one of the past seven years, excepting only the year 1928.

"While there were no million dollar fires in the year 1930, the loss in 41 fires exceeded one hundred thousand dollars. Among the larger losses were the following: C. N. R. Wharf, Vancouver, B.C., $731,000; C. N. R. Freight Warehouse, Thunder Bay, Ont., $725,000; Wool Warehouse, Mount Dennis, Ont., $575,000; St. Joseph's R. C. Church, Ottawa, Ont., $418,000; Union Elevator, Port Arthur, Ont., $350,000; Hardware Store, Toronto, Ont., $298,000; Conflagration, Hébertville Station, Quebec, $286,000; Warehouse, Vancouver, B.C., $253,000, and a Saw Mill at Maple Ridge, B.C., $241,000. Automatic sprinkler protection would have obviated these losses as well as thousands of others where the destruction was less extensive.

Insurance Cost Lower

"Attention is again directed to the continued reduction of the average insurance rate as shown by the annual statements of the fire insurance companies licensed to do business in Canada. Since 1921 when the average cost of insurance was $1.11 per $100 of value, there has been a substantial reduction in each successive year. In 1930, the average rate reached the low level of $0.79 per $100 insured, or a decrease of almost 30 per cent from the average rate current in 1921. The tremendous savings to property owners in Canada by this reduction of insurance cost has largely been effected throughout the activities of the various public fire prevention officials supplemented by the voluntary efforts of such organizations as the Dominion Fire Prevention Association. It is questionable if any other public service carried on within the Dominion has secured such concrete results with so limited an expenditure of funds.

"Owing to the present necessity for economy, there has been less consideration than usual given to fire protection by municipal authorities and large property owners. During the year 1930, new installations and changes and additions to water supply systems were undertaken by 105 municipalities and major fire appliances were purchased by 63 communities. In the field of private fire protection, forty-four new automatic sprinkler systems were installed and extensions were made to some thirty-seven existing systems. The current low cost of supplies and the desirability of providing employment makes it decidedly advantageous for large property owners to undertake the equipment of their buildings with sprinkler protection at the present time. Such systems pay for themselves in a very short time through reduction of insurance cost and the buildings so protected are practically immune to serious loss by fire."

Fire Tax Burden Can be Reduced

"What should be the attitude of every good citizen of the Dominion toward fire prevention?" asked W. H. Shapley, president of the Dominion Fire Prevention Association in his annual address given in Toronto before that body last week.

"We are complaining about our taxes and there appears to be a number of new taxes that may be placed on us which we cannot escape. None of them compares with the tax caused by fire waste. Taxes caused by the Government cannot be avoided but taxes caused by fire waste can be materially reduced without doubt. They are doing it in other countries and there is not the slightest reason why it cannot be done here. If we are going to improve the condition which now exists we must have the help of public-spirited men in the different municipalities who will form themselves into fire prevention associations and endeavor to reduce the fire waste in their own district."

Mutual Relief Business Gained in First Quarter

Issued business of $1,137,885 during the first quarter of 1931 is reported by the Mutual Relief Life Insurance Co. This figure represents an increase of almost 50 per cent over the same period in 1930. The total gain for the quarter, after deducting death claims, cash surrenders and lapses, totals $585,668.

During March, the company issued and revived $392,000 of business and at the end of the month had a total business in force of $21,627,116 which represented a gain of $139,440 over that in force at the end of February, 1931. Death claims paid in March amounted to $42,162.

Salt Development in Edmonton

The Edmonton Civic Industries Committee is investigating the development of the salt industry in this city. Heavy salt deposits from 100 to 200 feet in thickness are known to exist in the Fort McMurray and other northern districts.

PAMPHLET SHOWS RELATIVE POSITION OF LOAN COMPANIES

Average Return on Capital in Excess of Nine Per Cent

A résumé of the position of more than 100 trust and loan companies in Canada, including a number of British companies which invest directly in this country, has just been published by The Financial Post. A compilation of the figures thus gathered together shows that the 80-odd companies which publish income accounts had an average return, after taxes, of approximately 9.5 per cent in 1930, while the average dividend was in excess of 6.5 per cent.

By reason of having in past years put aside substantial sums for reserves, various companies, big and little, were able to show substantial earnings on the capital stock—several above 20 per cent and two above 25 per cent. These high returns offset the position of some companies which were unable to show any net profits for 1930.

In the brochure there is an authoritative discussion of the position of the trust and loan group of companies. The safety, possibilities of appreciation, marketability and yield on the various stock issues are discussed from the point of view of the investor, while the advantages of the debentures issued by these companies and the safety of the deposits are pointed out. There are also tables showing the market record of the several stocks in the group listed on the exchanges, and the current prices prevailing for stocks dealt in by unlisted security dealers.

The pamphlet is obtainable from The Financial Post at 25 cents per copy.

FIRE DAMAGE GROWS N.B. STATISTICS SHOW

Loss Was $1,942,885 in 1930; $1,246,440 Was Covered By Insurance

New Brunswick experienced a greater number of fires in 1930 than in any year since 1922 and a property loss in excess of any year since 1924 according to statistics recently published by the New Brunswick Fire Prevention Board. Property loss totalled $1,942,885 arising from 1,000 fires and, of this loss, $1,246,440 was covered by insurance. In 1929, there were 948 fires with a resultant loss of $1,890,275 of which $1,337,638 was covered by insurance.

Of the 1930 total, fires due to unknown causes are numbered at 160 with a loss of $643,878. Of the known causes, overheated or defective chimneys and flues caused 149 fires with a loss of $246,104; petroleum or petroleum products caused six fires with a loss of $153,003; sparks, arising from combustion, resulted in 125 fires with a loss of $150,960; stoves, furnaces and boilers caused 132 fires with a loss of $141,809 and electricity caused 43 fires with a loss of $107,350.

Mercantile stores sustained the greatest loss from fires of which there were 114 causing a property loss of $741,861. Dwellings, other than farm, had 585 fires and a loss of $364,281 and there were 161 fires in farm dwellings and a loss of $313,078. There were 19 fires in manufacturing establishments with a loss of $181,068. In each of these classes there was an increase in number of fires and in loss incurred as compared with statistics for 1929.

The bulletin issued by the board classifies fires by geographical distribution, by cause and by type of risk. It also contains a summary by months for the past three years and a comparative statement by classes of risk for the past nine years as well as giving fire losses in the chief cities and towns of the province during the same period.

The fire losses in New Brunswick during the past nine years are summarized as follows:

	Fire Losses		
	No. Fires	Property Loss	Insurance Loss
1922	1,170	$ 3,004,967	$ 2,202,449
1923	982	1,925,450	1,273,668
1924	985	1,999,963	1,470,449
1925	918	1,809,153	1,319,995
1926	851	1,679,411	1,173,897
1927	825	1,004,394	763,611
1928	877	1,416,114	1,058,334
1929	948	1,890,275	1,337,638
1930	1,000	1,942,885	1,246,440
	8,556	$16,672,612	$11,846,381

Insurance Inklings

HARRY W. MANNING, assistant general manager and superintendent of agencies of the Great West Life Assurance Co. will speak on "Life Insurance in Relation to Changing Conditions" at the regular monthly dinner of the Life Underwriters Association of Toronto to be held on May 14.

GORDON FRID has been appointed branch manager for Hamilton and district by the Lumbermens' Mutual Casualty Co. and will also have charge of the Lumbermens' Mutual Fire Insurance Co. and the Central Manufacturers' Mutual Insurance Co. Mr. Frid has been connected with the firm of Seneca Jones & Co. for the past ten years.

REED, SHAW & McNAUGHT, insurance brokers, Toronto, celebrated the 25th anniversary of the partnership on May 1. The firm has the Ontario management of six insurance companies and general agencies of eight other insurance companies.

New South Wales to Exhibit

New South Wales, Australia, has officially accepted Canada's invitation to participate in the World's Grain Exhibition and Conference to be held at Regina in 1932.

U.S. Life Insurance Co's Affected By New Loan

Canadian Companies Hold Very Few Victory Bonds, Latest Statistics Show — Some Buying Recently

It will be U. S. A. life insurance companies operating in Canada rather than Canadian companies which will be affected by the government's Victory loan conversion campaign inaugurated this week.

At one time Canadian life insurance companies held substantial blocks of victory bonds but their holdings have steadily dwindled in recent years with the result that at the end of 1929 (latest official figures available) holdings of Dominion government bonds by Canadian life companies totalled only $40,024,000, or less than 5 per cent of total assets.

On the other hand United States life companies doing business here are substantial holders of Victory loan bonds—or were at the end of 1929, which is the last date for which information is available—and one company alone, namely the Metropolitan—held at the end of 1929 more than all the Canadian companies put together, namely $43,756,000 of these securities.

Some Bought Recently

Just what the present holdings of life insurance companies in Canada are, it is difficult to say although it is known that in recent months substantial purchases of these bonds—particularly the 1933 series—have been made by some Canadian life companies in view of the fact that the price of this issue dropped as low as 103 and a fraction, not long ago, which is just over two points below the price at the present time.

The following table shows the holdings of dominion government bonds of some of the leading life insurance companies operating in Canada. The list is compiled in order of total business in force in Canada and shows clearly the respective holdings of leading Canadian, as opposed to United States, companies. It will be noticed that the left hand column gives maturities affected by the present conversion plan.

Holdings of Dom. Govt. Bonds As at Dec. 31 1929

	Maturities up to and incl. 1934	Other maturities
Metropolitan	$20,610,000	$23,146,330
Sun	....	105,000
Great West	3,562,000	2,000
Prudential (Amer.).	15,625,000	9,610,000
Mutual of Can.	....	136,000
London	....	....
Canada	2,681,000	1,924,000
Manufacturers	100,000	49,000
Imperial	....	235,000
Confederation	....	170,000
New York	12,398,000	3,849,000
North American	887,000	....
Dominion	....	....

B.C. INSURANCE DEPT. ISSUES 1930 FIGURES

Life Insurance in Force Increased 6.7 Per Cent Fire Premiums Gain

Preliminary figures issued by the superintendent of insurance for British Columbia place the amount of life insurance policies, new and taken up, in that province during 1930 at $88,656,178 as compared with $85,704,506 in 1929. This figure includes both ordinary and group insurance. Premiums received totalled $14,259,149 as compared with $13,545,087 in 1929 and the net amount of life insurance in force increased to $438,701,514 from $411,055,991. The net amount of policies become claims is shown at $3,291,539 and claims paid, including matured endowments, amounted to $3,292,042.

Net fire insurance premiums written in 1930 totalled $5,904,594 and net losses paid amounted to $3,671,727. Net premiums earned totalled $5,920,806 and net losses incurred were $3,724,738. In 1929, net premiums written and earned were somewhat larger than those of 1930 while net losses paid and incurred were smaller. Net premiums written in 1929 were $6,131,978; net losses paid, $3,143,632; net premiums earned, $5,957,509 and net losses incurred, $3,231,816.

Net automobile insurance premiums written amounted to $2,151,994 in 1930 as compared with $2,137,422 in 1929. Net losses paid increased to $1,238,978 from $1,018,578; net premiums earned increased to $2,147,606 from $1,900,676 and net losses incurred went to $1,285,136 from $1,099,077.

Gross premiums, less return premiums, for accident insurance amounted to $521,838 and gross losses paid totalled $289,556. The corresponding figures in 1929 were $530,930 and $263,447. Gross premiums, less return premiums, for sickness insurance in 1930 amounted to $249,597, as compared with $226,693 in 1929, while gross losses paid totalled $158,091 as against $151,713 in the previous year.

Toronto Investment Banker Insures Lives of Seven Sons

The action of Col. F. H. Deacon, industrialist and investment banker of Toronto, in taking out a $3,000 life insurance policy for each of his seven sons is regarded by the North American Life Assurance Co. as still another evidence of the favor in which life insurance is held by successful business men. Col. Deacon is reported to have life insurance holdings of over $1,000,000.

Col. Deacon is the head of F. H. Deacon & Co., investment bankers of Toronto. He is also president of the John Morrow Screw & Nut Co., Ingersoll, and of the Ontario Wind Engine & Pump Co., Toronto; director of B. Greening Wire Co., Hamilton; Sterling Coal Co., Toronto, and Monarch Knitting Co., Dunnville.

Report St. Hyacinthe Finances

The financial report for the City of St. Hyacinthe and its water works shows a surplus of $445,831 the assets being placed at $1,609,919, expenditures at $1,164,088.

Licenses Issued

ALBERTA

General Casualty Co. of America has been authorized to transact accident, automobile, burglarly, employers' liability and plate glass insurance.

La Sauvegarde Assurance Co. has withdrawn from Alberta, as at January 1, 1931.

Commemorates 50th Anniversary

The North American Life Assurance Co. has issued an attractive booklet describing the history, progress and management of the company during the past 50 years. The book commemorates the 50th anniversary of the company, which has recently become a purely mutual organization.

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Agents required in Ontario.
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The sound, yet aggressive investment policy maintained by The Dominion Life earned the exceptionally high rate of
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on assets invested during 1930.
This excellent situation, along with its marked progress shown in every Department, maintains the high standards for which The Dominion Life has long been noted.
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1st Vice-President, T. S. McPherson, Victoria, B.C.
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Would you make a contract with your business partner whereby following his death your income from the business would be reduced 85%?
Obviously you would not.
But isn't it true that you now have that agreement with your partner at home—your wife and children?
In other words, assuming that 85% of your income is earning power, and 15% of your income is from investments, is not your financial plan at home exactly the same as under such an agreement with your business partner?
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HEAD OFFICE-MONTREAL

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Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
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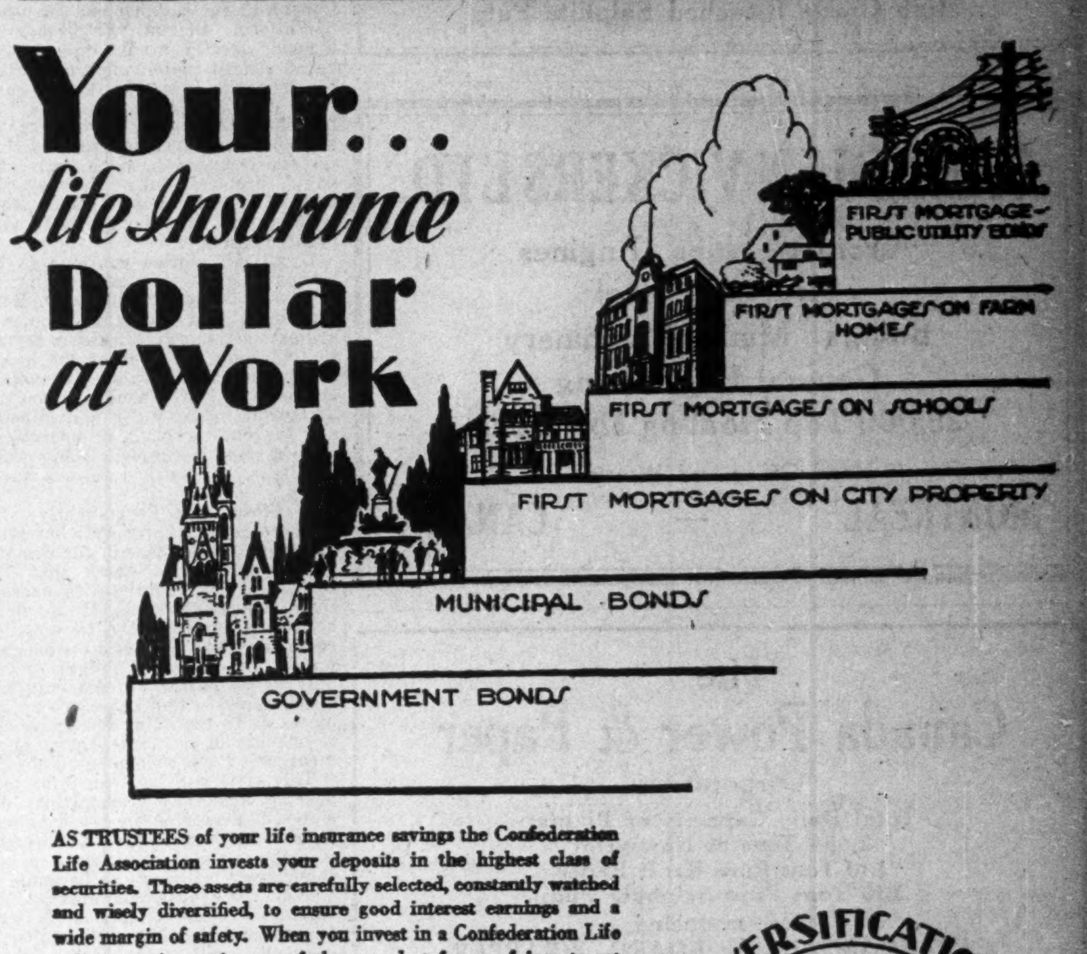
The Mutual Life and Citizens' Assurance Company Limited
CHIEF OFFICE FOR CANADA:
455 Craig Street West MONTREAL
The Forty-fourth Annual Report for the Year Ended 31st December 1930.
TOTAL ASSETS EXCEEDED (of which 83.15 per cent. was invested in Public Securities) .... $ 97,800,000
INCOME FOR THE YEAR EXCEEDED 14,893,000
AT THE END OF THE YEAR THERE WERE IN FORCE 504,017 POLICIES ASSURING 271,669,238
ORDINARY BRANCH SURPLUS EXCEEDED (for division for the one year 1930, being 50% of premium income) 3,220,000
PAYMENTS to POLICYHOLDERS FOR YEAR EXCEEDED (excluding bonuses credited to Ordinary Branch Policyholders, but not yet drawn) 8,095,000
TOTAL PAYMENTS TO POLICYHOLDERS EXCEED (since inception of Company) 112,517,000
ORDINARY BRANCH NEW BUSINESS FOR 1930 EXCEEDED (a Record for the Company) 25,360,000
THE RATIOS OF EXPENSES TO INCOME:—
Ordinary Branch, 13.80% of Premium Income; Industrial Branch, 34.25% of Premium Income.
RATES OF INTEREST EARNED
After deduction of taxes—Ordinary Branch, 5.48%; Industrial Branch, 5.50%.
ACTUARIAL VALUATION
The actuarial valuation of the Ordinary Branch assumes a future earning of interest at the rate of 3 per cent., that is the rate actually earned is 2.48 per cent. higher than the rate assumed.
SEVENTEEN YEARS' PROGRESS OF THE COMPANY
Year Income Assets
1913 .... over $6,900,000 .... over $42,600,000
1930 .... over 14,800,000 .... over 97,800,000

1871 Sixty Years' Security and Stability 1931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FIRST MORTGAGES ON CITY PROPERTY
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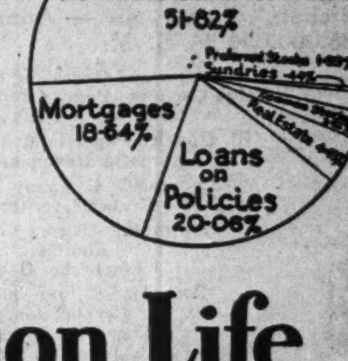
THESE SECURITIES, in turn, make an important contribution to our national progress and prosperity. They assist the administration of our governments ... federal, provincial and municipal. They form a part of the financial structure of the nation's industry and commerce, and further the country's welfare and development by standing back of the home and business interests of the people.
ALL INVESTMENTS of the Confederation Life Association are made under the rigid laws of the Dominion Investment Act. Your savings are safe and certain at all times. The successful record of the Confederation Life Association, extending over the long period of sixty years, is your guarantee.



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TORONTO CITY & SUBURBAN DIVISION
129-133 Confederation Life Building, Toronto
TORONTO—YONGE & RICHMOND DIVISION
218-219 Confederation Life Building, Toronto
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Owning and operating mills at
Murray Bay, Que. Sault Ste. Marie, Ont.
Beaupre, Que. Iroquois Falls, Ont.
Sturgeon Falls, Ont. Smooth Rock Falls, Ont.
Espanola, Ont. Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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Aircraft Ships Engines
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Boilers Mining Machinery
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MONTREAL — CANADA

The
Canada Power & Paper
Corporation
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130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc. — Annual Capacity of 25,000,000 F. B. M.
Successor and Operating Company of
Belgo-Canadian Paper Company Limited,
Shawinigan Falls, Que.
St. Maurice Paper Company Limited,
Cap de la Madeleine, Que.
Laurentide Company Limited,
Grand'Mere, Que.
Laurentide-Ottawa Company Limited,
Pembroke, Ont.
Port Alfred Pulp and Paper Corporation,
Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd.,
Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited,
Quebec, P.Q.
Head Office:
MONTREAL, QUEBEC

Canadian Pulp and Paper News

Many Meetings Called To Work Out Solution Newsprint Problems

Much Work Ahead of Canada Power's Committee

CLOSE DOWN MILLS

Industry Will Have to Confine Operations to Low Cost Units

From Our Own Correspondent

MONTREAL.—Frequent meetings have been held during the past few weeks by the special committee working on plans for the rehabilitation of Canada Power & Paper Corp. There have been expectations of an official statement by the committee as to its progress, but in view of the complexities of the problem, it is doubtful if any worthwhile statement will be forthcoming for some time.

The problem confronting the committee is not only the solution of Canada Power & Paper's troubles, but also of the individual companies making up the present organization. The rights of the different security holders are clearly set forth as regards the individual properties, but their relationship to Canada Power & Paper takes on a more complicated picture, especially in view of the guarantees.

Value of Cut Doubled

The recently-announced cut in the price of newsprint, with the rebate of $5 a ton back to the beginning of the year, does not help the company's earning power, which was already insufficient to meet prior charges. No explanation has been forthcoming as to the reason for the rebate; for that matter, no reason has been given why Canada Power & Paper should take the lead in reducing prices. While it is generally known that competition is exceedingly keen, the financial position of Canada Power hardly warrants that organization in setting a new price schedule.

The demand for newsprint since the beginning of the year has been less than at the same time a year ago, and considering the fact that the larger publishers buy their paper on long term contracts, the price reduction does not benefit the manufacturers through securing new customers or in stimulating consumption.

Advertising Rules Demand

As is known, the demand for newsprint is primarily based upon advertising linage. The value of national advertising in American newspapers in 1930 was estimated at $225,000,000 to $230,000,000. This compares with $260,000,000 in the preceding year. Though the dollar value of advertising for the first three months of 1931 is not available, estimates of linage indicate a decline approximating 15 per cent.

In relation to other industries, the newsprint industry has suffered comparatively little in volume of business. The drop this year is far below the average and were it not for the fact that machine capacity is far in excess of demand, Canada Power & Paper and other newsprint manufacturers could maintain operations at a ratio which would permit of a reasonable return, even at the present price of newsprint.

Complete Overhauling Necessary

This is the situation as it affects Canada Power & Paper and the other operations. Placing the former on a sound footing would undoubtedly be of benefit in tending to stabilize the industry. Canada Power, however, does not stand out alone, the need for over-hauling the industry as a whole being just as great as that for one company. With that company's problems out of the way, the task of smoothing out other problems could be accomplished with greater ease.

Unofficial stories continue to be circulated as to changes, pending or otherwise, within the industry. Both the Ontario and Quebec Governments are now actively interested in trying to find some way out of the maze. Many communities in both provinces are more or less dependent upon the newsprint industry for a livelihood, and the cutting down of operations and, in some instances, closing down of plants, has worked serious hardships.

Close Mills Permanently

There is little prospect, however, of any major increase in the demand for newsprint. In order that the companies may continue to operate their economical mills, it may be necessary permanently to abandon some of the high-cost producing mills. This may be obligatory not only as a matter of economy, but also because by the time consumption increases to the point justifying the re-opening of the mills, their equipment will have become obsolete.

This view will have an important bearing upon any deliberations designed to overcome the present problems of the industry. And in order to make the plan effective, some arrangements will have to be made to provide for those communities affected. In this connection, it is to be expected that the provincial governments will play an important part, inasmuch as it was through the granting of timber limits that these communities were made possible.

Lower Capital Charges

With the concentration of production in known low-cost mills and the cutting down of capital charges, the industry will be advanced a long way toward being put on a prosperous basis. Meanwhile considerable groundwork will have to be accomplished by the interested parties in working out a plan or plans which will take into consideration the interests of all concerned.

International Paper Seeking New Property

From Our Own Correspondent

MONTREAL.—An unconfirmed report has it that International Paper & Power Co. is to buy for $4,000,000 a book paper mill at Tonawanda, N.Y., controlled by Col. R. McCormick, and Joseph M. Patterson, publishers. Negotiations for sale of the mill were started before Liberty Magazine was sold to the MacFadden Publications. The mill has a capacity of 120 tons a day.

It is reported that the sale of the mill at Tonawanda does not affect any of the other manufacturing properties controlled by the Chicago Tribune, which in turn is owned by McCormick and Patterson.

Mersey Paper Plant Activity Capacity Level

From Our Own Correspondent

MONTREAL. — Operations of Mersey Paper Co. continue on a satisfactory basis and it is reported that plant activities are being maintained at capacity. Late last year the company had some trouble in keeping its operations up to capacity due to lack of power but it is understood that there has been no recurrence of this difficulty.

It is the expectation of the management that production in 1931 will total 77,000 tons as compared with 65,000 tons last year. Though it was suggested that another newsprint machine might be installed this year, it is said that no definite plans have been made in this regard.

Has Many N. Y. Customers

Shipments have been made in increasing amounts on the company's own steamer SS. Markland. Recently a cargo of 4,000 tons was carried to New York, of which 1,150 tons went to the New York Herald-Tribune with the remainder for distribution to other metropolitan dailies.

Other customers of Mersey Paper Co. in New York include the Times, Herald, World-Telegram, American, Journal, and the Clinton Paper Corp. Total contracts held by the company are understood to run on a five-year basis and are of sufficient volume to absorb full production of the mill at Brooklyn, N.S.

Figures Not Published

Whether Mersey Paper Co. will issue a financial statement for the past fiscal year remains to be seen; as yet there has been no mention of it. Publication of earnings in the first year of operation would make an interesting comparison with figures issued by other newsprint manufacturers in recent months.

Public investment interest in the company is largely confined to an issue of $2,000,000, 6 per cent, general mortgage bonds though there is also $5,000,000 of 5½ per cent preferred stock outstanding together with 150,000 shares of no par common.

Mersey Paper Co. brought its mill into production in December, 1929. The mill is equipped with two 250 tons newsprint machines with provision made for installation of an additional machine.

CAN. PAPERBOARD EARNINGS COVER WORKING NEEDS

Little Betterment Seen in Market for Products

From Our Own Correspondent

MONTREAL. — Canadian Paperboard is still operating at a sufficient profit to cover its working expenses and other immediate charges though the condition of the paperboard market does not indicate any likelihood of a marked change in the company's position for some time.

The Frankford and Campbellford mills are still closed, leaving Montreal and Toronto to carry the load. Both these units are operating at a fair rate of capacity though the idle equipment naturally proves a drag on earnings.

No Earnings Published

The last financial statement published by Canadian Paperboard covered the fiscal year ended March 31, 1929. In that year net earnings were $174,088, sufficient to cover bond interest, depreciation and preferred dividends.

In the succeeding year the effects of over-expansion, following completion of the large new mill in Toronto, and a weakening in the paperboard market became apparent and preferred dividends were passed in January, 1930. Two months later bond interest was defaulted and an operating receiver was appointed.

Subsidiary Also Affected

Closure of the company's mills at Frankford and Campbellford threw the power plants of Quinte and Trent Valley Power Co., a subsidiary, into idleness. The greater part of this company's output was absorbed by Canadian Paperboard.

Efforts have been made to dispose of this surplus power, but as yet no success has been achieved. In the meantime dividends and bond interest of Quinte and Trent Power have been passed. Bondholders have agreed to waive interest from January, 1931, to July, 1932, when interest accumulated for the period shall become due and payable.

Powell River Pulp Starts Seventh Unit

From Our Own Correspondent

MONTREAL.—Powell River Pulp & Paper Co.'s seventh newsprint machine is now in operation and the company has double the capacity of any paper mill on the Pacific coast. With increased paper output, the daily log cut approximates 450,000 feet, the largest cut of any sawmill in British Columbia.

The Lois River power project with its initial 22,000 h.p. development is now ready to turn the wheels of the new plant additions.

New Pulp Mill Planned in Southern British Columbia

From Our Own Correspondent

MONTREAL.—Possibilities of establishing a pulp and paper mill at Fernie. B.C., are being investigated by T. Howland, of Minneapolis.

The Government timber cruises that have been carried on during the past two years on the Elk and tributary rivers near Fernie have confirmed former claims of large quantities of spruce, balsam, pine and other pulpwood raw materials. Sufficient power is available by the East Kootenay Power Co. in the event of a mill being established.

Lethbridge Builds Big Elevator

The first million dollar building permit on record at Lethbridge was issued the other day for an internal storage elevator, bringing the total of building permits for the first quarter of the year up to $1,608,331 as compared with $665,119 for the similar quarter of 1930.

SAY GREAT LAKES TO PAY INTEREST ON ITS MORTGAGE

Trustee Issues Hopeful Statement After Negotiations

Meetings of the receivers of the Minnesota & Ontario Paper Co. and officials of the National Trust Co., trustee for the bondholders of Great Lakes Paper, may result in an early payment of the interest arrears on the $10,000,000 of Great Lakes first mortgage bonds.

The mill is operating five days per week and it is understood that, at a meeting last Saturday which was attended by Sir Joseph Flavelle, Bart., as chairman of the National Trust Co., the M. & O. receivers agreed to continuance of the tonnage allotment which will enable the Great Lakes mill to earn sufficient for bond interest.

Official Statement Issued

There is no corporate connection between the M. & O. and Great Lakes, but the Backus-Brooks Co., Minneapolis, controls both companies. There are four newsprint mills in the two companies and not enough business to keep all four in operation. But as operating costs are lowest at the Great Lakes mill, a large proportion of the Backus tonnage has been filled from that plant.

G. T. Clarkson is going into the financial position of the Great Lakes company with a view to determining whether or not the plan for payment of interest is feasible.

National Trust Co. has issued the following explanation of the situation:

"E. W. Decker, C. R. Fowler and E. W. Backus, receivers of the Minnesota & Ontario Paper Co. of Minneapolis, arrived in Toronto on Tuesday last for the purpose of discussing with National Trust Co. the trustee for the bondholders of Great Lakes Paper Co., the question of the allocation of tonnage to the Great Lakes mill. The receivers returned to Minneapolis on Saturday night. The results of these discussions in Toronto enabled the receivers to assure the National Trust Co. that for the time being the present allocation of tonnage to the Great Lakes Mill, which is sufficient to keep its two machines operating five days a week, will be continued.

"Some time ago, G. T. Clarkson made a preliminary survey of the accounts of the Great Lakes and Minnesota & Ontario companies for the period terminating December 31 last. It has been arranged that this investigation shall be immediately continued and brought down to date. If the allocation of tonnage above mentioned can be maintained, and if Mr. Clarkson's report shows that the earnings therefrom will be as satisfactory as is anticipated by the Great Lakes Company, there will be good reason to hope that the interest now in arrears on the Great Lakes bonds can be paid in the not distant future and that future interest upon these bonds can also be paid, as and when it falls due.

No Reduction at Present

"It may be useful to add a word of explanation as to the corporate relationship between the Minnesota & Ontario and Great Lakes companies. The former company, which is commonly known as the M. & O., owns or controls, directly or through subsidiaries, the mill at International Falls, United States, and the mills at Fort Frances and Kenora in Ontario, as well as various lumber, power, insulite and other properties. It does not, however, control the Great Lakes company, but merely owns, through one of its subsidiaries, approximately one-half of the $10,000,000 issue of preferred stock of the Great Lakes company. The M. & O. went into receivership on Feb. 28 last, E. W. Decker, C. R. Fowler and E. W. Backus being appointed receivers.

"At that time practically all the contracts for the supply of newsprint from these four Backus mills were in the name of the M. & O. The tonnage which they called for was, of course, insufficient to enable the four mills to be operated to capacity, but on account of the special advantages obtainable by putting tonnage through the Great Lakes mill it was being operated at the rate of five days a week at the time of the receivership. The receivers naturally had to regard the rights of the bondholders and creditors of the M. & O. Company, and for this reason they have been considering whether a reduction in the tonnage allocated to Great Lakes would have to be made. As above explained, no reduction will be made at this time."

ALGOMA STEEL PLANT ACTIVITY ON FAIR SCALE

Prospects for Summer Business Only Fair at Present

From Our Own Correspondent

MONTREAL.—Operations of Algoma Steel Corp. are not as extensive as they might be, but with the rail and merchant mills operating steadily, the company is now giving employment to around 2,100 men.

Within another month all present orders for rails will have been exhausted, with the result that the rail mill may have to be closed, releasing between 400 and 500 men.

Actual operations at the present time are only about two-thirds normal, and outlook for future business for the remainder of the year, according to W. C. Franz, vice-president and managing director, was scarcely more than half as favorable as it was at the same time last year.

Handle Larger Rails

The big development in connection with Algoma Steel Corp. during the past year was the completion of a large addition to the rail mill equipment of the company. This permitted the production of rails up to 150 pounds per yard along with structural sections up to fifteen inches.

The original intention was to incorporate the new equipment as a unit in a future combination rail and steel mill, with a total monthly capacity of 40,000 tons, but this plan is likely to be held in abeyance.

Commence Regular Service Quebec to Newfoundland

Regular sailings of the steamships New Northland and North Voyageur to Newfoundland via the south and north shores of the gulf of St. Lawrence have been started. Commencing on Wednesday, May 13th, the New Northland will sail every second Wednesday via Quebec and Gaspé coast ports for Corner Brook, on the west coast of Newfoundland. The North Voyageur will sail regularly every second Monday commencing May 4, via Quebec and north shore points, as far as Natashquan, and thence to Corner Brook, Newfoundland.

ECONOMIC TRUST EARNS DIVIDENDS ON COMMON STOCK

Though Security Values Down Company Maintained Strong Position

INCOME IS $179,953

Revenue Covered Bond Interest 3.23 Times—Not Worried By Market Fluctuations

Economic Investment Trust received in dividends, interest and other income $179,553 in the year ending March 31, 1931, as compared with $214,432 in the preceding year, and $189,071 in the year ending March 31, 1929. After paying all operating and administration expenses and bond interest of $50,000, there was an amount of $111,667 to carry forward to revenue appropriation account as against $132,218 on March 31, 1930, and $108,756 on March 31, 1929.

Interest on funded debt was earned 3.23 times in the year under review as compared with 3.34 times in the preceding year. Amount applicable to 39,925 shares of common stock, after deducting income tax, was $109,133, or $2.73 a share as compared with $3.31 in the year ending March 31, 1930, and $2.87 a share in the year ending March 31, 1929. Actual dividends paid were $99,813, and the surplus of $10,321 for the year has brought the accumulated surplus of the company to $77,623. An amount of $12,956 was realized in investment changes and applied in writing down investments.

INCOME AND SURPLUS ACCOUNT
Year Ending March 31

	1931	1930	1929
	$	$	$
Total revenue	179,553	214,432	189,071
Less: Mainten. & gen. chgs.	8,977	10,040	8,057
Directors' fees ..	5,612	6,827	5,593
Bank int., exchange, etc. ..	741	8,432	9,938
Bond int.	50,000	50,000	50,000
Trustees' fees ...	2,555	2,386	4,002
Res. for inc. tax	2,534	4,529	2,725
Net profit	109,134	132,218	108,756
Less appropriations: Dividends	99,812	99,778	75,888
Surp. for period ...	9,322	32,440	32,868
Add: Prev. surp. ..	68,302	35,862	2,994
Bal. carr. for.	77,624	68,302	35,862

Dividend Receipts Lower

Glyn Osler, chairman of the board of directors, stated that $10,107 of the company's decrease in gross revenue was due to suspension of dividends or interest on preference shares or bonds and that it was not unreasonable to suppose that, upon a return to more normal conditions, a substantial proportion of this income would be received in future years. The net increment due to changes in investments was small, but Mr. Osler states that it represented a considerable number of changes in investments during the year. Owing to the continued fall of security values throughout the world the book value of securities of the Trust was in excess of the market value.

Mr. Osler continued to say that the directors considered that too much importance should not be attached to the market value as, in the first place, the market for most Canadian securities was extremely narrow and a very modest amount of selling or buying was apt to depress or put up prices unduly. In the second place, the trust was not a trading concern but an investment company and, provided the securities as a whole were sound investment media, day to day fluctuations were of secondary interest only.

Holds 271 Securities

The Trust's investments number 271. Of the 205 preferred and common shares 181 are listed on recognized exchanges. The company shows total assets of $3,197,880, of which 6.08 per cent are invested in cash and call loans, 13.10 per cent in bonds and debentures, 35.49 per cent in preference shares and stocks and 45.33 per cent in ordinary and common stocks. Geographical distribution shows 57.55 per cent invested in Canada, 33.98 per cent invested in the United States, 2.77 per cent in South America, 2.43 per cent in Europe, excluding Great Britain, 1.95 per cent in non-British Asia, 1.12 per cent in British Dominions and dependencies and .20 per cent in Great Britain.

So far as industries are concerned the largest investment is in securities of manufacturing undertakings at 32.07 per cent of the total, whereas banks and financial undertakings come next with 10.52 per cent. The remaining investments are well scattered in varied fields.

Investments at cost, less investment reserve account, are shown at $2,969,911, while the market value on March 31, 1931, was $2,197,385. Cash at bankers was $37,454, call loans (secured) amounted to $190,000 and sundry amounts receivable to $515.

Total current liabilities were $10,487 to sundry creditors, $49,906 for dividend paid April 1, 1931, and $20,833 bond interest accrued. The funded debt still stands at $1,000,000 5% Series "A" first collateral trust gold bonds. A note states that the Trust is liable for $24,736 in respect to syndicate participation and securities partially paid for. Another note states that 7,185 common shares of $50 par value are reserved in respect of options outstanding.

JAMES W. SEWALL
Consulting Forestry
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ontario

Quebec Pulp and Paper Mills Still Closed Down

From Our Own Correspondent

MONTREAL.—Report that the Chicoutimi mills of the Quebec Pulp and Paper Corp. will be reopened in the near future, is authoritatively denied by A. Stewart McNichols, president of the corporation.

The president said: "The statement does not emanate from an official source and, further, it is without foundation."

GURD EARNINGS COVER DIVIDENDS FOR HALF YEAR

Formulation of Joint Policy With Subsidiary to be Discussed

From Our Own Correspondent

MONTREAL. — The earnings of Charles Gurd and Co. to date have been sufficient to cover dividend requirements for the first half of the year, according to a recent statement made by Alexander McA. Murphy, president of the company.

In addition to $275,000 of 7 per cent preferred stock, there are issued 60,000 shares of no par value common on which dividends are paid at the rate of $2 annually. Earnings in 1930 were equal to $2.90 a share on the common stock.

Change in Executive

At a meeting of directors, a slight readjustment in the officers of the company was made, the offices of secretary and treasurer being separated. J. Herbert Murphy was appointed secretary and R. J. Varley was appointed treasurer. It is pointed out this change permits of more thorough concentration on detail.

Mr. Murphy stated that it was the early intention of the board of directors to visit the Saint John plant, operated by Charles Gurd and Co. (Maritime) with a view to inspection and the formulation of a joint policy.

In conclusion, the president said that the programme of the board did not, for the present, include any new plants, though he admitted the subject was ever an open one.

The position of Charles Gurd common shares has been strengthened in recent years through a steady redemption of preferred stock. Originally, there was outstanding $500,000 of preferred senior to the common. This has now been reduced to $270,000, while further redemption may be anticipated in the future.

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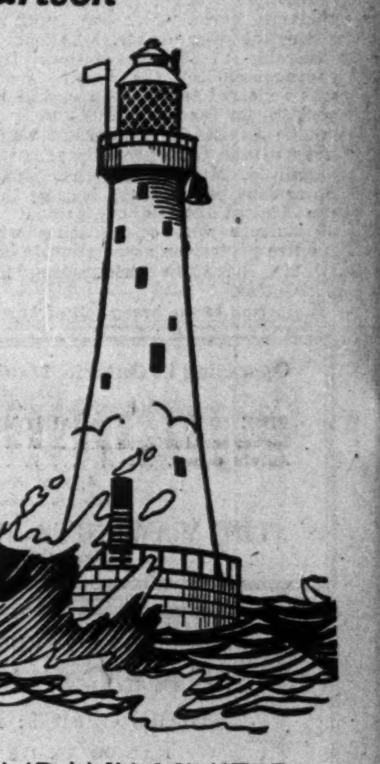
CHENEAUX BOND
satisfies on every point of comparison
Compare "Cheneaux" with any Bond paper, irrespective of price.
It measures up to the best of them. Strength, durability, folding quality, fine appearance — everything that a good Bond paper should have, Cheneaux Bond gives in generous measure. And it is not an expensive paper by any means.
Choice of eight distinctive colors and white. The latter in 16, 20 and 24 lbs., colors in 16 and 20 lbs.
THE E. B. EDDY COMPANY LIMITED
HULL CANADA
Manufacturers of a Wide Range of Quality Papers for Commercial, Professional and Domestic Purposes.



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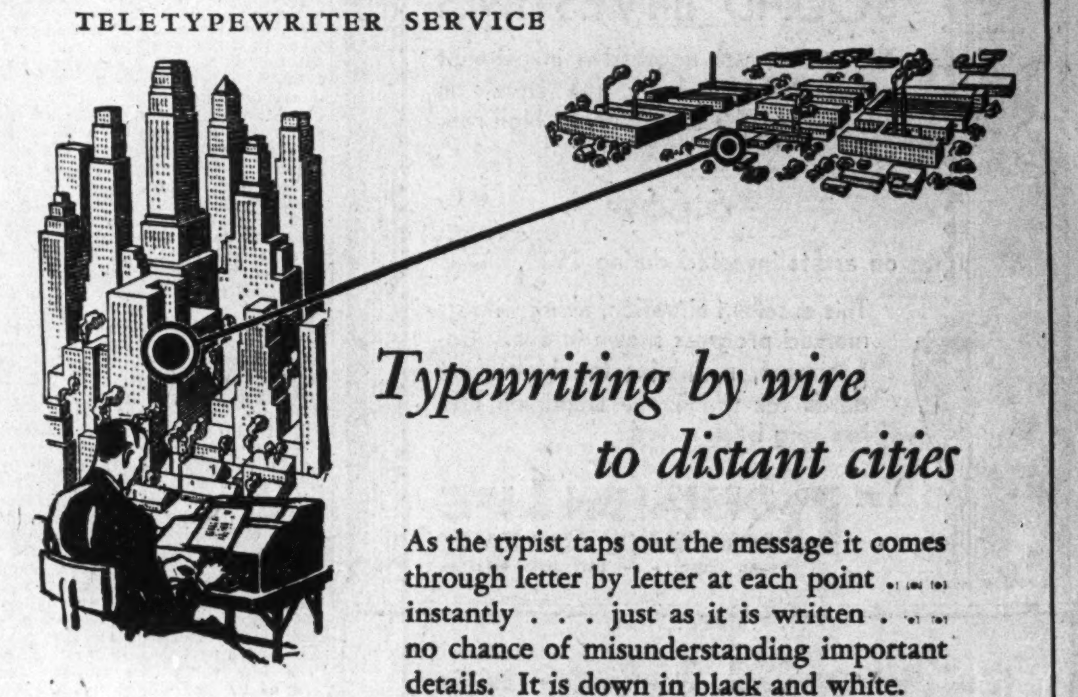

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As the typist taps out the message it comes through letter by letter at each point . . . instantly . . . just as it is written . . . no chance of misunderstanding important details. It is down in black and white.
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THE BELL TELEPHONE COMPANY OF CANADA

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
60 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
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Atlantic Sugar Refineries
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Refineries - Saint John, N.B.

THE DOMINION OF CANADA
1931 CONVERSION LOAN
offers
A Long Term Investment
with Stability of Income

PRESENT holders of Canadian Government Bonds maturing in the next four years will obtain the following advantages by converting their holdings to the new Dominion of Canada 1931 Conversion Loan:

Tax exemption on 1933 Bonds—no change of yield or taxation until maturity of present holdings.

Long term investment with stability of return.

Comparative freedom from fluctuations in value.

Security of capital invested and ready marketability.

We recommend conversion of your holdings and will furnish complete information on request.

MEAD & CO.
LIMITED
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DEALERS' PROFITS SLIM IN HANDLING GOVERNMENT BOND

Million Dollars Must Be Spread Among Thousands

HALF PER CENT GROSS

Real Gain Only on Big Blocks; Three Agencies May Share $2.50 on $500

Bond dealers and chartered banks will get $1,000,000 for their work in connection with the portion of the Dominion conversion loan which, it is planned, will be placed in investors' hands by May 23.

That $1,000,000 is a nice round sum, but by the time it is spread among the thousand-and-one security dealers, brokers and their branches and sub-agents, and the 4,500 branches of chartered banks, there will not be a tremendous profit for most. Moreover, out of the $1,000,000 must come the expenditure on advertising, printing and incidental expenses.

No Commission on One Issue

For the $52,000,000 of 1931 bonds offered for conversion, the investment bankers and chartered banks will receive no fee. On the other maturities, the gross commission is to be one-half of 1 per cent, or approximately $1,000,000.

If a holder of '32, '33 or '34 bonds takes them into a dealer's office, the dealer gets the full commission of one-half of 1 per cent. If the transaction is handled through an agent, the agent gets a quarter of 1 per cent and the dealer the other quarter. If the agent has a chartered bank forward the application to the dealer (who is, in effect, a wholesaler), the bank gets an eighth and the dealer the remaining eighth. If a bank handles the whole transaction, the bank gets the one-half of 1 per cent.

Little Profit on Small Holdings

There are many thousands of holders of bonds in denominations of $500. The holder who converts into the new loan will afford somebody a gross profit of $2.50. The profit may be an actual loss if the holder of such a security accepts the invitation of most of the dealers to telegraph or telephone the order at the dealer's expense.

Profits in handling the conversions are in the bigger blocks. The bond salesman who effects an exchange of a block of $100,000 of the '33 or '34 issues has made $500 gross for himself and his house. And there are several insurance companies with holdings ranging from $1,000,000 to $20,000,000. Presumably these will be converted and the bond house which handles one or more such transactions has had a fair experience with the campaign.

BELIEVES CANADA IN SOUND POSITION

Case R. Howard Discusses Business Situation at Washington

Case R. Howard

Three reasons for believing that Canada is laying a sound basis for resumption of normal business activity, were given by Case R. Howard, manager foreign business department, Canadian Bank of Commerce, New York agency, addressing the United States Chamber of Commerce annual meeting at Atlantic City recently. First that Canadian banks are in a strong and liquid position and able to finance a sound forward movement. Second, our foreign trade is less complex than that of many nations, particularly those highly industrialized, because raw materials form such a large proportion of exports. Third, that price readjustments incident to deflation are made more quickly, and meet with less opposition in Canada than in countries where larger populations and a greater diversity of manufactured lines makes the passing of price cuts in commodities more arduous. Economists agree, he said, that no sound basis for business recovery can be achieved until the whole price structure is in harmony.

"Generally speaking there is no inventory problem in any Canadian industry at this time. We must, however, except grain farming. When we read that Canada, a country of 10,000,000 people has about 275,000,000 bushels of unsold grain, we realize it is a serious matter.

Russian Problem

"We have heard a good deal recently of Russia as a threat in markets where we look for large quantities of American and Canadian goods and products to be absorbed. It must be admitted that the Soviet government has a very aggressive policy with respect to the sale of grain, oil, lumber, cotton and some other commodities outside her borders. Russia has an immense, although as yet unexploited man power, and is a country somewhat comparable in area and natural resources with my native Canada.

"I think we must recognize that Russia, if developed on proper lines, will have a substantial share of the export trade with European countries, but as far as Canada and the United States are concerned, I do not think we should be unduly apprehensive. Even if the optimistic goals of the Soviet's industrial five-year or even 10-year plans are realized, it would take 30 to 40 years for Russia to reach the stage of industrial perfection which this country attained as far back as 1925. In the meantime we will not be standing still."

ADVERTISERS IN U. S. SPENT LESS IN 1930

Drop of About $30,000,000 Estimated by A. P. N. A. Bureau

From Our Own Correspondent

MONTREAL.—The total expenditure on national advertising in the United States in 1930 was estimated at $225,000,000 to $230,000,000 according to a report of the Bureau of Advertising of the American Newspaper Publishers Association presented at the recent A. P. N. A. convention.

In 1929 the Bureau's estimate of advertising was $260,000,000; in the previous year it was $230,000,000. The greater part of the loss in 1930 was accounted for by the loss in newspaper national advertising in automotive, radio and financial advertising.

Some Increases Recorded

Increases were recorded last year in tobacco and grocery advertising. In 1930, 15 tobacco companies spent $23,880,000 in national newspaper advertising, an increase of $2,200,000 over 1929. Grocery products came next in the amount of increase, the leading advertisers in this field showing a gain of $1,560,000 at $26,635,000.

In the automotive field, however, there was a decline of $20,000,000, practically all of it accounted for by 19 makers of passenger cars and trucks. Makers of radios, phonographs and accessories cut their advertising almost in half from $15,710,000 to $7,940,000 in 1930.

CANAL TRAFFIC GAINS MEAN C. S. L. ACTIVITY

Earlier Navigation Brings Wide Tonnage Increase in April

From Our Own Correspondent

MONTREAL.—The extent to which Canada Steamship Lines stands to benefit from the early opening of navigation is clearly seen in comparative figures on canal traffic in April this year, as compared with the same month in 1930.

Traffic started on the Canadian side of the Sault Ste. Marie canal on April 13, or 11 days earlier than in 1930; through the Welland canal on April 9, or 12 days earlier, and through the St. Lawrence canals on April 17, or 5 days later than in 1930.

Increases in Freight

Total freight through the Sault Ste. Marie canal, Canadian and United States locks, amounted to 922,297 tons as compared with 410,392 tons in the same period of the previous year. Total freight through the Canadian locks at this point was 153,402 tons against 40,471 tons in 1930.

This freight was carried in 160 vessels whereas last year only 42 vessels had passed through the locks in April. Increase in movement of wheat is seen in the passage of 77,966 tons of wheat as compared with 6,980 tons in the preceding period.

Though the large Upper Lake vessels are not yet allowed through the Welland ship canal, total freight through this division in April amounted to 370,003 tons as compared with 141,679. Of this amount 224,146 tons was wheat.

In the St. Lawrence canals a total of 319,059 tons of freight was moved in April as compared with 110,804 tons in April, 1930. Wheat again was the major factor in tonnage amounting to 178,498 tons as opposed to 45,944 tons in the previous year.

UTILITY INVESTMENT SALE COMPLETED

From Our Own Correspondent

MONTREAL.—Official announcement has been made of the sale of Public Utility Investment Co. to Consolidated Public Utility Investment Co. The sale entailed the exchange of one share of common stock of Public Utility Investment Co. for one share of Class "A" common of the purchasing company, and one deferred share for one deferred or founders share of Consolidated Public Utility Investment Co.

Since First and Second Public Utility Investment Cos. were merged in February, 1931, to form Consolidated Public Utility Investment Co., the management has decided not to publish an annual statement of the new company for the past year. It is stated, however, that shareholders of the predecessor companies may obtain the earnings for the past year by applying direct to the company.

In 1929 Public Utility Investment Co. reported earnings of $80,689 and earnings on the ordinary shares of $3.67 a share. The showing on the combined ordinary and deferred shares, of which there were 22,000 and 6,000 shares respectively, was $2.88 a share.

CANNERS REPORT $1,025,037 PROFIT FOR HARD YEAR

Surplus Reduction Comparatively Small to Meet Dividends

LIQUIDS MAINTAINED

Working Capital Still Above $7,000,000; Inventory is Written Down to Market Level

After absorbing an inventory loss of about $1,500,000, Canadian Canners Ltd., for the year ended Feb. 28, 1931, shows net earnings of $1,025,037, after taxes, compared with $1,909,633 for the 14-month period covered in the previous report.

After depreciation and bond interest, the net profit available for dividends for the latest period was $610,765, compared with $1,247,629. The first preferred dividend was earned more than twice, compared with four times in the previous period, the second preferred earned 77 cents, compared with $1.67 and the combined earnings on the second preferred and common was 67 cents, compared with $1.94 in the previous year. Common earned 42 cents against $4.45 in last year.

Now Gets Normal Profits

It is understood that, with inventories written down to a proper relation to retail prices, the company is in position to make normal profits on these goods and, as acreage this year is somewhat less than last, it is not expected that the new pack will be an excessive one.

While an appropriation for depreciation and general reserve for the latest year is $200,000, or half the sum so appropriated for the previous 14 months, it is stated in the report, by Avern Pardoe, president, that $200,000 was invested out of income in plant improvements. Additions and enlargements in the year amounted to $362,000, and during the year the remaining minority interests in subsidiaries were bought.

Results Satisfactory

Because of the fact that the previous report covers a 14-month period, comparison is somewhat difficult. The actual drop in profits, after providing for inventory depreciation is approximately 25 per cent, it is calculated. In view of the excess supplies of some crops and the general lowering in commodity prices, which affected this company more severely in the closing months of the calendar year, the results are considered to be highly satisfactory.

Following are details of the profit and loss account for the last three periods:

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended

	Yr. end. Feb. 28 1931	Jan. 1 1929 to Feb. 28 1930	Dec. 31 1928
	$	$	$
Net earn.	1,025,037	1,909,633	†836,205
Less: Gen. & depr. res.	200,000	400,000	......
Bond int.	214,272	262,604	233,457
Net profit	610,765	1,247,629	602,748
Less appropriations:			
1st pref. divs.	273,426	273,426	273,426
2nd pref. divs.	345,999	291,654	218,741
Com. divs. ...	120,166	68,471	......
Surp. for year	*128,826	614,078	110,581
Add: Prev. surp.	980,208	766,130	655,459
Less: Trans. to invest. & conting. res.	......	400,000	......
Carried forward	851,382	980,208	766,130

†After depreciation. *Debit.

The company remains in strong liquid position, with working capital of $7,000,000, although this is a reduction of $400,000 from the previous year. At the close of the year, bank loans totalled $2,671,349, but it is stated that the amount has been reduced materially in the last ten weeks. Accounts payable and accrued liabilities not due are reduced from $891,321 to $548,877.

Cash is reduced from $72,485 to $7,621. Investments and marketable securities total $568,227, the corresponding item for last year, including call loans, being $1,264,423. Accounts receivable are reduced from $1,269,025 to $1,069,400.

Inventory Now Lower

The greatest change in the current assets is in inventories, which are increased from $5,635,376 to $8,437,240. A canning company cannot regulate its inventory once it has contracted for acreage. The reduction in bank loans since the beginning of the present fiscal year is evidence of a reduction in inventories meanwhile.

Following is the comparative working capital:

	1931	1930
	$	$
Current assets	10,220,261	8,299,132
Current liabilities	3,220,226	890,321
Working capital	7,000,035	7,408,811

Net funded debt is reduced to $3,534,400, compared with $3,585,700 a year ago. Capitalization consists of $4,557,150 of 6 per cent cumulative preferred of $100 par value; 363,732 second preference shares, participating with the common on a sliding scale up to $1 dividend, convertible into common and redeemable at $20 per share, and 137,784 shares of common. The present dividend on the common is 50 cents per year and on the second preferred 80 cents. Last year, 95 cents was paid on the second preferred and 87½ cents on the common.

Increases Advertising

Mr. Pardoe points out that the company's brands are known to householders throughout the country and adds that the advertising appropriations, the largest in the company's history, have been a help to distributors. More goods, he says, have been shipped so far in the calendar year than in the corresponding period of 1930. Export business was considerably less in the last year because of the increase in the United States duty on tomatoes from 15 per cent to the prohibitive rate of 50 per cent.

A hint of possible expansion is given. The company, says Mr. Pardoe, "is proposing to extend its operations from time to time as conditions justify and is now operating factories in all favorable territory between British Columbia and Quebec."

It is stated that the number of shareholders has grown in the last year. The annual meeting of the company will be held at Hamilton on May 20.

Richfield Petroleum Has Producing Well

A Calgary despatch says that Richfield Petroleum, drilling in the Turner Valley, encountered commercial production at a total depth of 4,960 ft., being about 233 ft. in the limestone.

Initial gas flow is estimated at 12,000,000 cu. ft. daily, indicating from 100 to 150 barrels of crude naphtha.

Officials state that while commercial production has been reached it is their intention to continue drilling in the hope that the next few feet may encounter a greater producing horizon.

The company's first well encountered a fault and was abandoned in June, 1930. The well that just blew in was spudded in last August and has been drilling since that time.

IMPERIAL BANK OF CANADA
has unexcelled facilities for handling
DOMINION OF CANADA
CONVERSION LOAN
which we recommend
Ask any Branch Manager

CONVERSION LOAN IS REMINISCENT OF WAR CAMPAIGNS

National Voluntary Organizations Brought Public Enthusiasm to High Point

Conversion of Victory loan and War loan issues maturing to Nov. 1, 1934, reminds one that most of these issues were born in a time of war and great excitement. Patriotism was running at white heat and the public response to the demand for funds to bring the war to a victorious conclusion was nothing short of amazing to the oldest observers. There was not a single Government issue which was not over-subscribed and this outstanding expression of confidence by citizens of Canada in the ability of the Dominion Government to repay at maturity and to find money to pay the then unprecedented rates of 5 and 5½ per cent offered has kept the credit of the Dominion higher than it would otherwise have been ever since.

The success of these huge loans—that is, huge for a population then less than 9,000,000 — was also a triumph for the Victory loan organizations created and maintained for each recurring loan. The banks, insurance companies, investment bankers, brokers and the business community generally developed a capacity for national team play which was remarkable. It is nothing short of the truth to say that every adult in Canada was approached to buy as much of these bonds as he was able.

Canada in those few war years was made bond-conscious. It became a nation of investors on a scale never before dreamed of. Canadians were to learn the dangers of investment later by those who offered speculative issues in the wake of the war but the advantages of safe investment were driven home then. At that time investors thought less of the interest rate given than of the success of the issue. The keeping up of Canada's end in the war was considered all-important.

The present conversion loan is less spectacular. No new money is called for. There are no public meetings, there is a distinct absence of the emotional appeals then made and people are showing only a moderate interest in day to day reports of success of the conversion loan. The reason is that they take it for granted that the loan will be a success.

It is a business proposition for those who happen to own the bonds.

Sir Thomas White, who was Finance Minister during the period of the war when all these war loans were made, states that the maturities of the various war loan and Victory loan issues were made to fall between 1925 and 1937 to facilitate conversion operations. He considers the new conversion offer to give holders of old bonds a fair and generous privilege of exchange.

Calgary Power Executive Unchanged by Shareholders

From Our Own Correspondent

MONTREAL.—Annual general meeting of the shareholders of the Calgary Power Co., held at the head office, was routine in character with a small attendance. The annual reports and statements were adopted, while the board of directors was re-elected without change.

Dominion of Canada Bonds
1931-32-33-34 ISSUES
may be exchanged for the new
1931 CONVERSION LOAN BONDS
at any of our Branches without charge
Official Application Form and full information furnished at Branches.
THE BANK OF NOVA SCOTIA
ESTABLISHED 1832
Capital $12,000,000; Reserve Fund $24,000,000; Total Resources $265,000,000
J. A. McLEOD, General Manager, Toronto.

Spring Cleaning and Dyeing

It's MIRACLEAN TIME (Odorless)
You'll be astonished . . .
to find out how many of your frocks will be like new, once we have cleaned them. Suits that have been out of sight all winter, when cleaned, will delight with their newness.
Let Us Also Clean Your Rugs and Carpets and Drapes
We offer the quickest of service in cleaning of all household goods. Let our truck come to-day and pick them up.
Phone MELROSE 2411
New Method Laundry Co., Ltd.
725 College St. *"We Know How"*

"DON'T BREAK THAT WINDOW
I have the key!"

There was an air of suppressed excitement in our Cleveland hotel that night. Even the oldest employee had succumbed to the infection of it, and waited at his station in the ballroom as impatiently as a young man at a tryst.

It was all because of the girl. She was young and fair, and her unconcealed excitement pervaded the whole hotel. This was her night of debut. At nine o'clock she was to be presented to Cleveland society in the most brilliant coming-out party of the year.

The hour approached. Seven o'clock passed. At seven-thirty the telephone in the manager's office jangled. The girl's mother was calling. "We are in a frightful predicament," she said. "Barbara's dress—the one made for this party—hasn't been delivered to our suite. *What shall we do?*"

"Who made the dress," the manager asked, "and where is the shop?" He was told. Then he continued, "What is the last minute you can give me to get the dress?" "Ten minutes of nine," came the reply. "*I'll have it there,*" he answered, "don't worry!"

But soon *he* was worried. For when he called the residence of the owner of the shop, he was informed by the modiste's sister that *Madame* had gone to New York, and that her head fitter had the only other key. Quickly the manager phoned the fitter's house. "She has gone to the theatre," he was told, "*and we don't know which one.*" In quick succession, every theatre in the city was called, and each time came this reply: "She cannot be paged."

This *was* a quandary! The manager called *Madame's* sister again and gave her the disappointing news. "*Madame's* best customer!" the sister wailed. "We'll have to break in and get her dress. I'll come down." "All right," the manager said. But he did *two* things. He phoned the fitter's family once more and asked that they go with an assistant manager to the theatres and find the woman. Then he talked with the police.

The sister came. A policeman arrived. The manager sent them and the head-porter in a cab to the shop. The time was half-past eight when the little group stood in the areaway behind the store. They could wait ten minutes for the fitter to appear! The seconds dragged. One minute more! That, too, passed by. "It's time," the porter announced. "Let's go!"

Just then, down the alley came the sound of running feet and a woman's voice calling, "Don't break that window! I have the key." It was the fitter. She had been found. Our efforts had met with success — *and the gown was delivered on time.*

So here you have another incident from the Statler Service Records. There are many such, for the records are long today and they are crowded with these little dramas of life.

In every emergency in which our aid has been asked we have tried to be helpful; to that end our organization and policies have been built. *Every one of us wants to be of service* — always. And we want to be of *utmost service* in every contact with our guests — so that their visits to our hotels will leave pleasant memories — and evoke a desire to return.

HOTELS STATLER
BOSTON • BUFFALO • CLEVELAND • DETROIT • ST. LOUIS
in NEW YORK, *Hotel Pennsylvania*

MANITOBA POOLERS UNFAIRLY DOCKED, MURRAY CHARGES

Takes Stand at Probe to Support Sensational Charges

From Our Own Correspondent

WINNIPEG.—Public interest has revived in the commission under E. K. Williams, K.C., which, instructed by the Provincial Government, is enquiring into the charges made by J. R. Murray, against the administration of the Manitoba Pool elevator system. The sittings of the commission were interrupted during the continuance of Sir Josiah Stamp's enquiry into futures trading, and there were adjournments from various other causes which reduced the attention given to it. But the commission got back on the front page when Mr. Murray took the stand last week, and during two days and a half conducted an analysis of pool books and records, which had been produced before the commission, in order to substantiate his charges.

From these records he produced some remarkable figures to show that pool elevator agents had been underweighing and undergrading farmers' grain. The explanation he suggested was that pool farmers, bound by contract to deliver their grain to certain elevators, had to accept less favorable treatment than is accorded at elevators where service is a matter of competition. Although the honesty of the elevator agents was not questioned, it was suggested that they had been misled by the idea that it did not matter if farmers did not get their full due at the time of delivery of grain, on the theory that surplus would go back to them anyway. Mr. Murray analyzed the figures to show that at a number of points several full carloads of grain had accumulated more than were accounted for to farmers, and that this had been due both to underweighing wagon loads, and to overestimating dockage. His evidence was to the effect that practices in weighing which had been condemned by the Turgeon grain commission report, and which elsewhere had been eliminated by giving elevators an allowance of one-half of one per cent to cover shrinkage of weight in handling, had been continued by Pool elevators. Weight gains four, five and six times the amount of legal allowance were indicated.

Undergrading of Grain

Grading at pool elevators was also analyzed to show that farmers had not been allowed the proper grade on their grain. A typical instance was Arden, where the elevator had been able to ship out 15,952 bushels of No. 1 northern wheat although only 4,257 bushels had been graded in; 23,430 bushels of No. 2 northern although only 18,836 had been graded in; and although 14,439 bushels had been graded in as 3 northern, none of that grade had been shipped out. Farmers who had received the number 3 grade had lost eight cents a bushel, while their share of the profits of the elevator pro-rated to all who delivered grain to it, had amounted to approximately two cents a bushel.

At another point incoming grain was graded No. 1 on 2,145 bushels, No. 2 on 45,751 bushels, while outgoing shipments were made up of 46,621 bushels of No. 1 and 321 bushels of No. 2.

Statements which had previously been made to the commission to the effect that profits on grades had resulted from cleaning and mixing grain in country elevators were repudiated by Mr. Murray, who declared that such results were impossible from any mixing or mechanical means, and could result only from under-grading.

"The story that the grade gains go back to farmers has a soothing influence," said Mr. Murray, "but a bigger influence is the fact that farmers are tied and cannot get competitive bids for their grain, and the propaganda has had its influence on elevator agents. The part played by the financial returns in taking care of operating expenses shows how necessary it was to get this revenue unless the elevators wished to come out flatly for higher handling charges."

Previously, while with United Grain Growers, and at a time when the Manitoba Pool had only 58 elevators in operation instead of the present number of 156, Mr. Murray had issued a warning to the effect that Pool elevators were being built at many points where they could not be made to pay unless extra revenue were obtained by farmers submitting to under grading of their grain.

BRACKEN LIKELY TO GO TO POLLS BEFORE YEAR-END

(Continued from page 11)

ernment, for although the present administration turned a Liberal government out of office, the tendency in recent years has been to seek for some sort of amalgamation between the government forces and those of the Liberal party. That might have been brought about by this time, except for the increasing difficulties which have occurred in provincial affairs, the most recent of which is that of the wheat pool and wheat pool finance, which have made the Liberals somewhat wary of an alliance that would saddle them with responsibilities they would prefer to repudiate. Another session of the Legislature may show those difficulties as still more embarrassing than they have been.

A provincial election fought upon the issues of Dominion politics, as one brought about in the near future would be almost sure to be, would seem unlikely to effect much improvement in provincial affairs, the problems of which are not based on general policies but matters of administration. There have been occasional rumors of the retirement of Premier Bracken, either immediately before or immediately after an election. Such an event would pave the way for a realignment of political forces in the province, for the premier, with the disappearance of active political work by the United Farmers of Manitoba, who first put him into power, has been very largely his own political party. Such rumors do not, judging from the premier's present aggressiveness, appear to be well founded, and if an election is called this year it will seem that Mr. Bracken expects to continue in office at the head of the provincial government.

Canned Milk Sales in West

Consumption of condensed milk in the three Prairie Provinces in 1930 reached the total of 279,000 cases, as shown in a report of the Saskatoon Board of Trade. Manitoba used 65,000 cases; Saskatchewan, 64,000 and Alberta 150,000.

COLL. TERMINALS DOUBLED EARNINGS NET PROFIT LESS

Reduced Amount Owed to City of Collingwood By $92,708

Annual report of Collingwood Terminals for 1930 shows gross earnings of $130,155 as compared with $63,527 in 1929. After deducting operating expenses, depreciation, taxes, claims adjustment and interest, the net profit for the year was $5,672 as compared with $9,361 in 1929. This is equivalent to $2.13 a share earned in 1930 on $265,900 7 per cent cumulative preference stock paid up at the end of 1930, as compared with $6.63 a share on $141,100 of 7 per cent preferred stock outstanding at the end of 1929.

In 1929 the earnings on each share of preferred stock had been $13.28 when calculated on the average number of shares outstanding in the year instead of the number outstanding at the end of the year. If earnings on the preferred stock in 1930 were based on the average number of shares outstanding it would show more than $2.13 per share earned, as stock outstanding was almost doubled.

It should be noted that this computation of $2.13 a share having been earned on the preferred stock refers to earnings after depreciation of $29,863, whereas only $20,000 was deducted for depreciation in the previous year. If the depreciation allowance had been the same in 1930, the earnings shown on the preferred stock would have been $5.86 a share as compared with $6.63 shown in 1929. The company actually did make a depreciation adjustment of $5,175, in addition to the net profit of $5,672 and the balance brought forward from 1929 of $995, thus making $11,842 available for taxes and dividends. Dividends of $10,690 were paid, and this left a balance to carry forward into 1931 of $1,153.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930	1929
	$	$
Operating revenue	130,155	63,527
Less: Oper. expenses ..	47,646	24,172
Net oper. profit	82,409	39,355
Less: Financial exp. ..	45,770	9,355
Depreciation	29,863	20,000
Taxes	829	640
Claims adj.	275	...
Net profit	5,672	9,360
Less appropriations:		
Pref. dividend	10,690	8,365
Surplus for year	*5,018	995
Add: Previous surplus..	995	....
Deprec. adjust.	5,175	....
Balance forward	1,152	995

*Deficit.

Working Capital

	1930	1929
Current assets	103,467	52,599
Current liabilities	76,826	12,026
Working capital	26,641	40,573
Ratio	1.35—1	4.37—1

Current assets of $103,467 in 1930 were 1.35 times current liabilities of $76,426, as compared with the end of 1929 when current assets of $52,599 were 4.37 times current liabilities of $12,026. The increase in current liabilities in 1930 is mainly due to a $15,000 bank loan, $26,649 owed the Canadian National Railways and an item of $15,191 shown as "prepaid charges."

Fixed assets are shown at $1,019,706 after depreciation as compared with $1,131,525 in the preceding year.

An amount of $774,796 is shown as owing the Town of Collingwood while the amount owing on construction account a year earlier was $867,404. The reduction in this account occurs at the same time as the increase in the amount of capital stock outstanding from $141,100 of 7 per cent preferred stock to $265,900 at the end of 1930.

A note at the bottom of the balance sheet states that accrued dividends on preferred stock amounts to $4,640. The dividend due March 1, 1931, has not yet been paid.

GODERICH E. & T. INCOME INCREASED, FUTURE PROMISING

Vessel Operators Anticipate Larger Movement of Grain, Says G. L. Parsons

Goderich Elevator & Transit Co. shows in the annual financial statement for the year ending March 31, 1931, an improvement in total income over the preceding year, $274,975 as compared with $263,936. As operating expenses dropped by the exercise of rigid economy from $64,706 to $55,690, the company was able to increase the provision for depreciation, taxes, insurance and other expenses and yet have $108,978 available for dividends on 84,006 no par value shares of common stock.

This is equivalent to $1.30 a share on stock which is paying dividends at the rate of $1.40 a share, and compares with $1.25 a share earned in the preceding year.

INCOME ACCOUNT
Years Ended March 31

	1931	1930	1929
Income:	$	$	$
Elevator chgs.	22,998	27,116	55,507
Elevation & storage	248,378	231,549	226,041
Invest. int.	3,599	5,271	5,293
Total income	274,975	263,936	286,841
Less: Oper. exp. .	55,690	64,706	76,354
Net earn.	219,285	199,230	210,487
Less: Deprec. ...	64,297	54,928	45,637
Int. on borrowed funds	391	514	712
Construction int.	17,033	13,530	......
Ins. & sur. bds.	8,329	7,846	4,109
Cap. stk. readj.	....	......	3,164
Mun. taxes	9,929	8,106	7,710
Fed. inc. taxes..	9,675	9,314	12,000
Legal exps.	....	211	10
Stock transfer .	653	......	......
Net profits	108,978	104,781	137,145
Less: Dividends...	117,608	117,608	116,208
Surplus for year..	*8,630	*12,827	20,937

*Deficit.

Working Capital

	Mar. 31 1931	Mar. 31 1930	Mar. 31 1929
	$	$	$
Current assets	41,272	196,235	182,821
Current liabs.	155,098	361,610	26,645
Working capital .	*113,826	*164,675	156,176
Ratio	.26—1	0.54 to 1	6.86 to 1

*Excess of current liabilities over current assets.

Grain Moved Freely

While, owing to exceptional circumstances, traffic deliveries during the past season were lighter than usual, G. L. Parsons, president, states that the company was able to keep its storage well filled throughout the year and also by rigid economy of operating costs to maintain regular dividends as well as to provide for adequate leasehold and plant depreciation. The structures and equipment were kept up to a high standard of efficiency.

Mr. Parsons reports that grain moved quite freely during the winter with the result that in the Spring the elevators had less in store than for many years. As elevators at the head of the lakes were well filled the readiness of the company's elevators to accommodate spring deliveries in good volume was fortunate. There was sufficient grain still in Western interior elevators to ensure a substantial Eastward movement until a new crop is harvested.

"Vessel operators," he continued, "anticipate a more active season and it is understood that our Canadian railways contemplate a reduction in rail rates which should stimulate the movement of Canadian and American grain through Ontario elevators."

Reduces Working Capital Deficiency

Mr. Parsons states that the government had materially enlarged the harbor area at a depth of 23 feet contiguous to the elevators, thus makink it possible to handle more and larger steamers more economically. The mooring wharf at the westerly side of the harbor had also been completed so that safe protection can be assured for 30 to 35 storage vessels throughout the winter. A further appropriation was being asked for to complete the deepening of the north-easterly portion of the harbor.

The working capital deficiency is somewhat less than in the preceding year. The drop in current assets from $196,935 to $41,272 is mainly in accounts receivable for elevation and storage which fell from $70,510 to $40,666 and in the disappearance of an item of $123,894 shown a year earlier for investment securities. Current liabilities show an even more considerable drop because bills payable have been reduced from $335,500 to $130,000. Various other items show reductions as well except that the bank overdraft was increased from $386 to $3,029.

Fixed assets are shown at a lower valuation. Land leaseholds valuation has been marked down from $128,428 to $124,148 and docks, buildings and equipment from $1,317,691 to $1,262,445. A contingent reserve of $351,970 in the 1930 balance sheet disappears from the 1931 statement, but it is replaced by a surplus of $343,300.

EAST CREST NOW HAS THIRD WELL

Blow in at 260 Feet in Turner Valley Limestone

Reports from Calgary state East Crest Oil Co.'s No. 3 well as having blown in from a depth of approximately 4,700 ft., about 260 ft. in the limestone.

No tests have yet been made, but initial pressure indicates that it is comparable with the company's No. 2-A well, one of the largest producers in the valley.

No. 3 is the fourth well to be drilled by the company in Turner Valley. No. 1 is giving a small production, No. 2 well abandoned on account of a crooked hole, No. 2-A well came in in September, 1930, with initial production of over 600 barrels of crude naphtha daily, and averaged about 300 barrels daily, for the first quarter of the current year.

Total production for 1930, delivered to the refinery was 42,670 barrels whereas for the first three months of the current year the marketed production of crude naphtha and discolored naphtha has been approximately 34,000 barrels.

In February, Louis Blake Duff, president of the company, said that earnings for the three months ended December 31 had amounted to $144,041. Earnings for January were estimated at $46,000. Since production for the three months of this year has declined proportionate decline in earnings is indicated.

Canadian Cattle Shipments

Following the revival last summer, after an absence of some years, of Canadian live cattle shipments to the British market, 3,581 cattle reached the port of Manchester from the Dominion between the initial shipment made in August and the end of 1930.

CANAD. VICKERS COVER CHARGES FOR PAST YEAR

Earnings and Financial Position Undergo Improvement

From Our Own Correspondent

MONTREAL. — Operations of Canadian Vickers during the year ended February 28, last, resulted in a substantial increase in net profits and a marked improvement in the financial position of the company.

Operating profits for the year were $637,079 against $300,960 in the preceding year, and $437,311 in 1928-29. After providing for bond interest, increased depreciation, and adding other income, net profits for the past year totalled $296,106, compared to a deficit of $134,290 in the preceding year. After providing for special reserves, the balance of $204,106 was applied against the profit and loss debit balance, bringing that item down to $143,807.

Show Good Surplus

Further particulars of the profit and loss accounts for the past three years follow:

	1930-31	1929-30	1928-29
	$	$	$
Oper. prof.	637,069	300,960	437,311
Other inc.	§17,078	......	27,973
Total	654,147	300,960	465,284
Bond int.	162,507	165,000	165,000
Deprec.	195,534	181,000	175,000
Net inc.	296,106	*145,040	125,284
Pfd. divid.	......	89,250	119,000
Balance	296,106	*134,290	6,284
†Discount	......	45,000	......
‡Writ. off	......	153,879	......
**Reserves	92,000	155,000	......
Balance	204,106	*488,169	6,284
Prev. bal.	*347,913	144,283	117,771
P. & L. balance..	*143,807	*343,886	124,055

*Deficit.

§Discount on bonds redeemed through sinking fund.

†Total discount on sale of stock subscribed and allotted.

‡Research and development work.

**For contingencies, inventories and doubtful accounts.

Until this deficit is wiped out, it is not the intention of the company to resume dividends on the preferred stock, which were fully earned in the past year.

Working Capital Stronger

The balance sheet shows an improvement in the working capital position of the company, net current assets totalling $1,207,076, compared to $1,165,186 in the preceding year.

The general balance sheet of Canadian Vickers shows total assets as at February 28, 1931, of $7,857,698, down from $9,191,159 on the same date a year ago.

Cut Down Inventories

Fixed assets, less depreciation, total $5,843,448, as against $6,031,550 as shown in the previous report. There has been a sharp cut in inventories, from $959,237 to $530,685. Work in progress also shows a decline, totalling $78,143, compared to $308,562.

Accounts receivable total $386,205, as against $896,224 in the 1930 report. Branches to subsidiaries have been cut from $46,314 to $37,258. Cash on hand shows an improvement from $29,522 to $60,567. Amounts due on the agreements from subscribers to capital stock allotted stands at the same figure, namely, $270,000, as also does the Dominion Government claims, etc., of $485,782.

Wipe Out Loans

On the liability side of the balance sheet, bank and special loans of $964,340 have been wiped out. The funded debt of the company has been lowered from $2,750,000 to $2,678,000. The preferred stock outstanding remains unchanged at $2,000,000 while the amount set opposite common stock is increased from $2,071,114 to $2,271,192.

Accounts payable have been lowered from $514,914 to $275,858.

In his report to the shareholders, James Playfair, president, said in part:

"Although the total sales for the year were 25 per cent less than the sales for the previous year, the net earnings were over fifty per cent higher, due principally to administrative economies and increased operating efficiency. During the previous year a substantial capital expenditure was made to improve the equipment of the shops and the benefit of this outlay was reflected in the earnings for the past year.

"The value of uncompleted orders on hand at the end of the period was approximately the same as at the close of the previous year. This condition, in view of the depressed state of business in general, is considered satisfactory.

"A debit balance of $143,807 remained in the profit and loss account after providing for substantial write-offs for depreciation and obsolescence of inventories, reserves for bad debts and other contingencies, over the past two years. This impairment of your company's capital will need to be made up before it will be possible to resume payment of preferred dividends, but your company is now in a sound financial position, efficiently managed and able to fully take advantage of new business."

Newfoundland-United States Trade Records Falling Off

From Our Own Correspondent

MONTREAL. — Imports into Newfoundland from the United States fell from $1,618.534 in January and February, 1930, to $893,505 in the same period this year. For the same months this year, Newfoundland's exports to the United States, mainly newsprint, were valued at $1,426,285 as against $1,288,579 for January and February, 1930.

Quebec Pulp & Paper Mills Seeks Charter Cancellation

MONTREAL. — Official notice has been given that Quebec Pulp & Paper Mills Ltd., will make application for leave to surrender its charter for cancellation.

This has no reference to Quebec Pulp & Paper Corp., which is the successor to Quebec Pulp & Paper Mills.

Not on the Programme

Brief Notes That Illuminate the Washington Congress of the International Chamber of Commerce

By F. S. C.

WASHINGTON.—While the president of the Federation of British Industries was in Canada making the forecast that Great Britain would shortly join the protectionist countries and while he was reporting the results of the F. B. I. vote that overwhelmingly favored protection, the F. B. I.'s own delegate at the Washington congress of the International Chamber of Commerce was making a free trade speech. For this address he was mildly raked over the coals by other Britishers in private conversation but not on the platform.

* * *

American business men are already discussing 1932 presidential prospects. There is a strong feeling that Hoover will go back on the tide of improving business. Wall Street Democrats do not want Franklin D. Roosevelt, of New York, as their candidate. They have Melvin A. Traylor, Chicago banker, in reserve as the dark horse. Traylor's speech, in which he asked for reform of the rules of the New York Stock Exchange, was believed to be evidence of his own presidential ambitions. Traylor commands respect of business and financial leaders all over the country. I had a brief talk with him and was impressed with his sincerity of purpose and his sense of social responsibility as a business man.

* * *

One of the sessions was presided over by an Englishman with a most pronounced Oxford accent. He opened the session by asking: "Is there anyone here who does not understand English?" One person put up his hand; he was an American. The Englishman joined in the laugh.

* * *

I found Americans and Britishers well informed on Canada; Europeans less well informed although several of them including Grünfeld, Berlin merchant, Olivetti, Italian machinery manufacturer, Metaxas, Greek cognac maker were planning trips to Montreal or Toronto. Among the Americans with whom I discussed Canadian conditions and whom I found well informed on Canada were Gerard Swope, president of General Electric, Hendry D. Sharpe, of Brown and Sharpe Manufacturing Company, machine tool manufacturers, Dr. Julius Klein, assistant secretary of commerce; Thomas J. Watson, president of International Business Machines Corporation; Norman Lombard, executive vice-president of the Stable Money Association; John F. Sinclair, financial editor of the North American Newspaper Alliance.

Canada was known to many of the Britishers through one or more visits and this was revealed in conversations with Sir Arthur Balfour, steel magnate; Sir Alan Anderson, director of the Bank of England and ship owner; Lord Luke, of Pavenham, chairman of Bovril; Sir George Paish, economist and financial adviser, and others.

* * *

Bright question by Norman Lombard of the Stable Money Association: "What do you do to your prominent Canadian men since you stopped knighting them? In France they give them the Legion of Honor; in Britain, King George knights them; here in the States, J. P. Morgan makes them bank directors."

* * *

Someone asked one of the British delegates what Hoover said when he shook hands with him. Replied the Britisher: "He said: 'How do you do. I'm delighted to meet you. Please don't quote me.'"

I went to the White House correspondents' conference with Hoover. It was a dull day; nothing much came up. The newspapermen still do not like Hoover. He never smiles with them.

* * *

Still another bright remark, also by a Britisher: "Tastes make trade. The Americans have to come to England to get good marmalade; we go to the States for breakfast food. Every morning the day starts with international concord."

* * *

The new president of the International Chamber of Commerce was too ill to leave Berlin. His speech was carried across the Atlantic and just as the chairman of the meeting said "Ladies and Gentlemen, I introduce Franz von Mendelssohn of Berlin" his voice came over the loud speakers.

* * *

Brief summary of business situation by the president of one of the largest banks in the United States: "The turn in business may be in sight; but you have to have better glasses than I wear to see it."

* * *

I asked one of the Japs, making his first visit to this continent, how he liked it over here. He said: "There's one thing I do not understand. When you come over to our country we have to talk to you in English. When we come over here we think you ought to be just as polite and talk to us in Japanese. But you don't."

* * *

Even Chile had a delegate. His name was Benjamin Cohen.

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The Employers' Liability Assurance Corporation
LIMITED
EXTRACTS FROM THE REPORT FOR THE YEAR 1930
REVENUE ACCOUNT

Premiums (Fire, Accident and General) Net	$37,150,285
Interest and Rents	1,491,635
Profits on Investments realized	224,321
	$38,866,241

BALANCE SHEET, 31st DECEMBER, 1930
ASSETS

Government, Provincial and Municipal Securities	$15,080,595
Railway Stocks and Debentures	18,077,920
House Property — Corporation's Offices, less depreciation	5,846,355
Branch and Agency Balances	7,551,120
Shares of Companies controlled	3,055,095
Amounts due from subsidiaries and other companies	874,935
Interest and Rents Accrued	414,505
Cash in hand and on deposit	746,835
	$51,647,360

LIABILITIES

Capital paid-up	$ 1,923,860
Insurance Funds	14,255,780
Reserve for outstanding losses, estimated	15,582,495
Amount due to subsidiaries and to other companies and Agents	1,090,930
Outstanding Commission and Expenses	1,456,985
Unclaimed Dividends	3,570
Deposits at Interest	85,300
Loan Account	300,000
Provision for Final Dividend, 1930	894,595
Outstanding Taxes	1,503,035
Investment Reserve	2,000,000
	$39,096,550
Net Surplus	12,550,810
TOTAL	$51,647,360

($5 taken as equivalent to £1 sterling)

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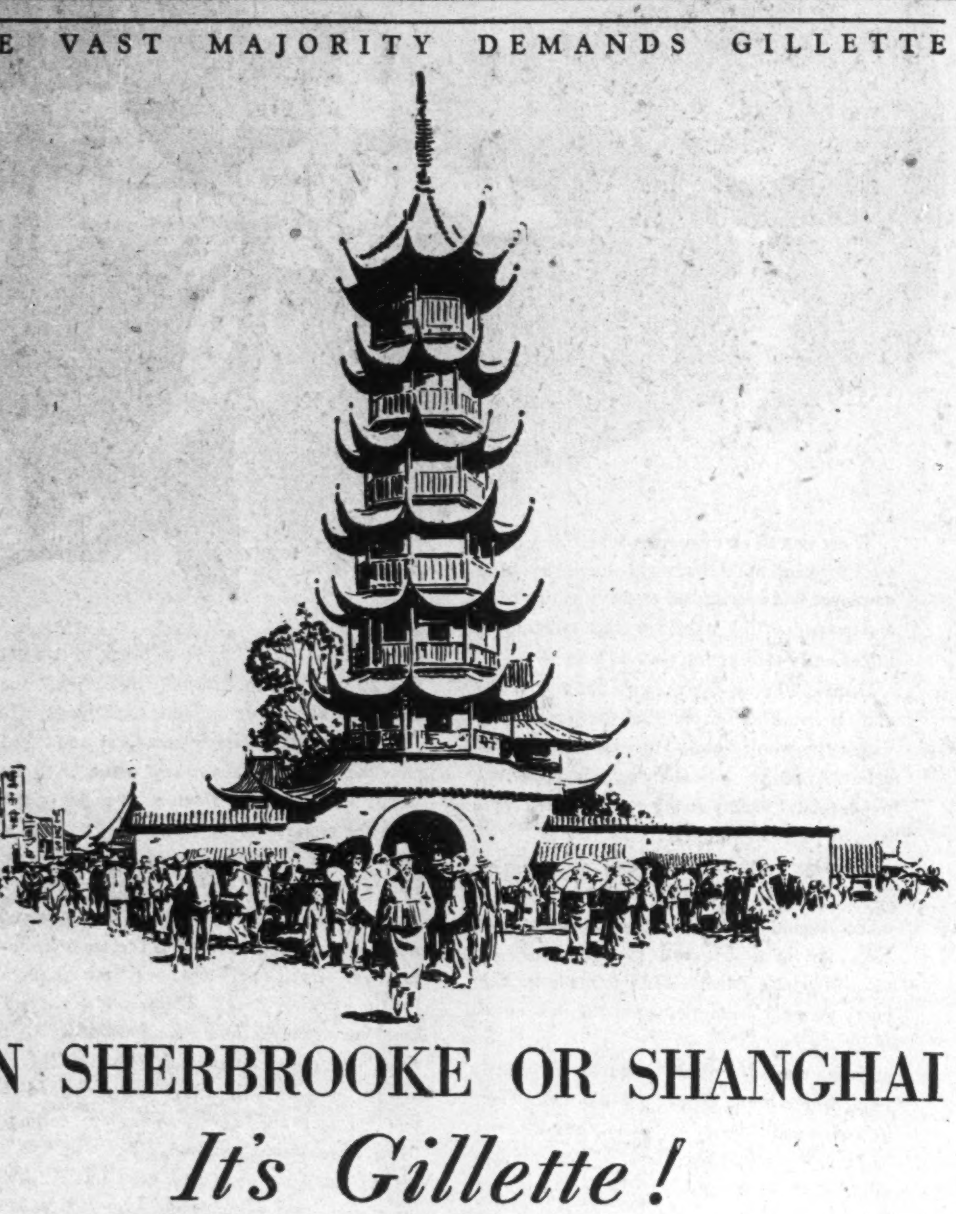
THE VAST MAJORITY DEMANDS GILLETTE



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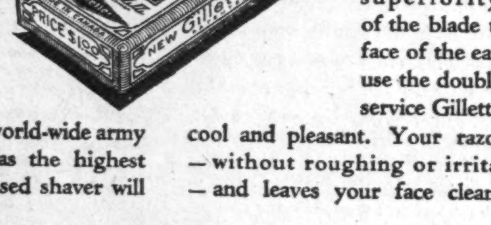

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NICKEL EARNS 8c ON COMMON IN FIRST 3 MONTHS

More Liberal Write-offs Bring Net Profits Lowest Since Merger With Mond

GROSS REVENUES UP

Slight Increase Shown in Inventory—Liquid Assets Down But Still Seem Adequate

The first quarterly report of International Nickel Co. for the three months ended March 31, 1931, shows a net profit of $1,659,638, equivalent to 8 cents per share on the common stock outstanding.

This compares with $1,872,225, or 9½ cents per share, in the previous quarter, and with dividend requirements of 15 cents per share.

More For Reserves

Operating earnings showed an increase of approximately $200,000, and general expenses were down, as were taxes, making the operating profit $236,008 in excess of the previous quarter. Depreciation, depletion and other reserves are more liberal, being $954,475 as compared with $577,579 in the previous quarter, and account for the major part of the decreased profits. Other income is down, although the liquid position of the company has not changed sufficiently to account for lower earnings from this source.

The following is a comparison of quarterly earnings since the merger of the Mond Nickel Co. early in 1929.

Quarterly Earnings

Period	Net Profits	Earn. Per Com. sh.
1929 1st quar.	5,590,191	.36
1929 2nd quar.	5,647,985	.38
1929 3rd quar.	5,627,583	.37
1929 4th quar.	5,370,244	.36
1930 1st quar.	4,616,144	.30
1930 2nd quar.	3,267,730	.20
1930 3rd quar.	2,013,961	.10½
1930 4th quar.	1,872,225	.09½
1931 1st quar.	$1,659,638	$0.08

The balance sheet shows a decrease in working capital of $782,318, and reflects dividends not entirely earned. Inventories show a slight gain from $21,060,096 to $21,190,769, indicating the company is able to dispose of its production as made. Accounts and bills receivable are down from $6,155,943 in the previous quarter to $6,069,266. Government securities remain the same at $745,675. Cash and call loans have declined from $9,284,368, in the previous quarter, to $7,572,098.

The following is a comparison of working capital at the end of the last two quarters:

Working Capital As At

	Mar. 31 1931 $	Dec. 31 1930 $
Current assets	35,586,808	37,245,883
Current liabs.	6,266,126	7,142,883
Working capital	29,320,682	30,103,000

At the annual meeting on March 31, Robert C. Stanley, president of the company, said nickel sales during the first quarter had shown some improvement over the last quarter of 1930. The statement just released shows improved operating earnings and reflects either improved sales or decreased costs, or both.

Upward Trend Indicated

While the statement was a disappointment to many, in view of the net profit shown, as estimates of earnings had been estimated as high as 14 cents per share, it is nevertheless regarded as having its bright spots and indicates an upward turn in operating earnings.

Accompanying the quarterly statement was a communication from the president to the shareholders as follows:

"As one of the 90,759 stockholders of this company, you should be advised of current developments and new uses of your company's products. You may know, perhaps, that we produce approximately nine-tenths of the world's nickel and are large producers of copper. Moreover, the company is one of the world's greatest producers of platinum and other metals of the platinum group.

"While the company's interests thus go beyond nickel, the greatest efforts of your management are naturally being directed toward the expansion of present uses for nickel and nickel alloys and toward the creation of new uses, notably in the household field.

"It would seem that the mailing of quarterly financial statements offers an appropriate opportunity for describing interesting applications of the company's products. I am, therefore, inaugurating a series of letters with a sketch of nickel and its place in modern life."

QUARTERLY CONSOLIDATED INCOME AND SURPLUS ACCOUNTS
Quarter Ended

	Dec. 31 1930 $	Mar. 31 1931 $
Earn., all oper.*	3,029,555	3,238,406
Less: Gen. office exp.	387,165	374,494
Reserve for taxes	160,396	145,910
Net oper. profit	2,481,994	2,718,002
Add: Other income	77,771	15,975
	2,559,765	2,733,977
Less: Deprec. & deplet. & other reserves	577,579	954,475
Interest paid & accr.	109,961	119,864
Net profit	1,872,225	1,659,638
Less appropriations:		
Preferred dividends	483,484	483,484
Common dividends	3,644,643	2,186,792
Surp. for quarter	†2,255,902	†1,010,638
Add: urp. at beginning of quarter	22,902,071	20,646,169
Bal. carried forward	20,646,169	19,635,531

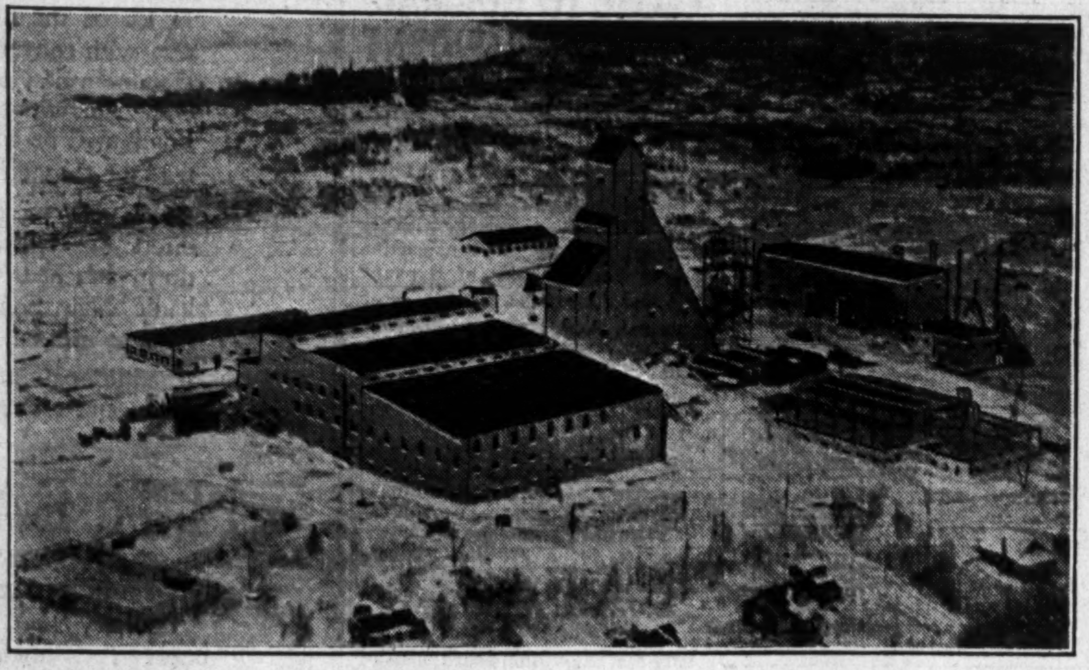
*After deducting manufacturing, selling expense, ordinary repairs and maintenance.

†Deficit.

Earnings Per Share on Common Stock:

Earned	$0.09½	$0.08
Paid	.25	.15

McIntyre Porcupine Begins to Use New Mill



After being a producer since 1912, and gradually working up to a milling capacity of 1,500 tons of ore daily, McIntyre this week moves to its fine new plant. The new mill is claimed to be the finest of its kind in the world and will provide facilities for treating 2,000 tons of ore daily. Annual production is expected to be raised to a value close to $6,000,000.

Canadian Mining News

Hollinger Still Leads As Largest Producer

Ontario Gold Production Sets New High Record for April With a Total Value of $3,559,563

During April producing mines, in order of output, by camps, as reported to the Ontario Department of Mines, were as follows:

Porcupine (6)—Hollinger, McIntyre, Dome, Vipond, Coniaurum, and March.

Kirkland Lake (6) — Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger. Telluride shipped in March, not included heretofore.

Northwestern Ontario (1)—Howey.

The standing of the mines in order of values recovered remained unchanged, with the exception of the Coniaurum, which moved above the Vipond.

Individual mines in order of greatest output were: Hollinger, Lake Shore, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Sylvanite, Howey, Coniaurum, Vipond, Kirkland Lake Gold, Barry-Hollinger, March.

MONTHLY OUTPUT OF ONTARIO GOLD MINES
(Gold and Silver Values)

	1930		1931	
Source and Period	Ore Milled Tons	Total Value $	Ore Milled Tons	Total Value $
PORCUPINE				
Calendar year 1930	2,559,798	17,822,365	....	....
Average per month	213,316	1,485,197	....	....
January	210,554	1,460,600	262,324	1,572,678
February	187,626	1,313,661	230,733	1,608,239
March	209,128	1,464,947	253,553	1,580,468
April	205,810	1,561,925	244,588	1,681,805
KIRKLAND LAKE				
Calendar year 1930	1,274,530	17,231,709	....	....
Average per month	106,211	1,435,976	....	....
January	101,443	1,281,888	128,477	1,649,436
February	96,096	1,296,246	116,566	1,564,538
March	100,075	1,487,216	133,110	1,760,088
April	95,064	1,393,520	137,838	1,791,144
Total for calendar year 1930 (gold mines only).	3,946,628	35,518,862	....	....
Average per month	328,885	2,959,905	....	....
January	311,997	2,742,488	*394,233	3,289,032
February	283,722	2,609,907	*360,398	3,228,222
March	309,203	2,952,163	*402,055	3,402,238
April	308,474	2,993,004	*397,958	3,539,563

*Includes Northwestern Ontario.

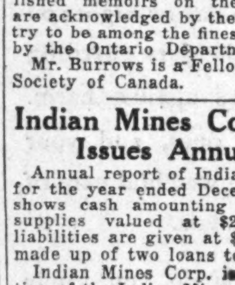
CRUDE BULLION

Metal content of crude bullion received from Ontario gold mines by the Royal Mint, Ottawa:

	1930		1931	
	Gold Ounces	Silver Ounces	Gold Ounces	Silver Ounces
January	6,496.69	728.01	89,304.19	8,597.41
February	2,743.88	282.70	98,173.48	10,548.48
March	1,862.50	215.67	111,406.34	15,488.12
April	31,494.70	6,031.67	131,856.07	16,393.64

ALFRED G. BURROWS GIVEN L.L.D. DEGREE

Queen's University Confers Honorary Degree on Former Student



Alfred G. Burrows

An honorary degree of L.L.D. was conferred on Alfred G. Burrows, of Toronto, by Queen's University, at Kingston, on May 6.

Mr. Burrows was graduated from Queen's in 1900 with an M.A. degree, taking final honor courses in geology, mineralogy and chemistry, and winning the medal in both geology and mineralogy. In 1902 he took his B.Sc. degree.

He became demonstrator for a few years at Queen's in mineralogy and geology, and then was appointed provincial assayer for Ontario, which post he held for 4½ years.

He then became assistant provincial geologist for Ontario, and finally provincial geologist which important public position he has occupied with distinction for about five years.

Mr. Burrows' work in geology has been outstanding, particularly in the two large gold fields in Ontario—Porcupine and Kirkland Lake. His published memoirs on these two areas are acknowledged by the mining industry to be among the finest works issued by the Ontario Department of Mines.

Mr. Burrows is a Fellow of the Royal Society of Canada.

Indian Mines Corp. Issues Annual Report

Annual report of Indian Mines Corp. for the year ended December 31, 1930, shows cash amounting to $7,651 and supplies valued at $2,729. Current liabilities are given at $11,943 and are made up of two loans to the company.

Indian Mines Corp. is a reorganization of the Indian Mines in 1923, which owns a gold property in the Salmon River section of the Portland Canal mining division, British Columbia, about 1½ miles south of the Big Missouri mine. At one time the stock was very active on the market, but no work has been done at the property since 1925 owing to disappointing results.

The report just issued states the future of the company depends on the success of the Big Missouri undertaking, and the directors are confident if this property develops into a successful producer that arrangements can be made for treating the known ore in the Indian Mines, by the Big Missouri mill.

The company has an authorized capitalization of $3,000,000 in $1 par value shares of which 2,701,405 shares are issued. The annual meeting of the company is called for June 4, at Prince Rupert.

Metal Prices

New York—May 12—
Copper: Electrolytic spot, 9½c. lb.
London—May 12—
(Long ton)—
Copper: Electrolytic spot, £43; future, £44.
Standard spot, £39 12s 6d; future, £40 7s 6d.
Tin: Spot, £104 5s; future, £105 12s 6d.
Lead: Spot, £11 10s; future, £11 17s 6d.
Zinc: Spot, £10 10s; future, £11.
Silver: 13⅛d. per ounce.

KEHOE LAKE WELL HOLDS INTEREST AS OIL PRODUCER

Has Penetrated Sands But Four Feet While Great Thickness is Believed

Interest in Albertas petroleum development now centres around the latest oil showing at Kehoe Lake, about 10 miles northwest of Lethbridge, where the Hudson Bay Oil & Gas Co. has brought in what is reported as a commercial producer.

Hudson Bay Oil & Gas Co., a subsidiary of the Hudson's Bay Co., is technically supervised by well-known United States interests, which have been active in the area for some time. Core drilling was done to gain knowledge of the formation, after which this, the first test well, was put down. Little is known of the possibilities of the Benton sands as a producing horizon, but it is claimed by some geologists that they are 100 ft. thick in this area. Drilling is reported to have penetrated the sands for a distance of only four ft., but is providing initial production, by baling, of from 50 to 75 barrels of crude oil daily testing 32 gravity.

Imperial Oil, Nordon, and Alberta Pacific Consolidated all have leases in the area. Nordon owns leases on 1,800 acres adjacent to the new producer. About ten miles south, Imperial Oil is drilling the Imperial Texas well.

The Wall Street Journal recently commented on operations in southern Alberta as follows:

"The most extensive geological work in the area appears to have been done by Nordon Corp. which is negotiating with one of the larger independents in the United States. This latter concern already has checked up on the Nordon geological data and officers of the company regard it as probable that an arrangement will be consummated within the next two months. In this event the new district will get a real test as the transaction calls for expenditure by the optioning company of $200,000 on an initial test deep well in return for a half interest in one block of ground."

Morrison Mines Elects Directors

At annual meeting of Morrison Mines, held in Ottawa recently, it was announced that operations had been suspended late last year on account of the low price of silver.

Morrison Mines owns a silver property in the Gowganda district, Ontario, which last year was having its ore treated at the Castle Trethewey mill.

At the anual meeting the following directors were elected for the ensuing year: H. F. Strong, Haileybury; J. Montgomery, Toronto; T. F. Ahearn, M.P.; Lieut.-Col. J. F. Cunningham and H. D. Fripp, of Ottawa.

Weighted Mining Index Shows Slight Increase

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base of 1926=100, was 80.9 for the week ending May 7th, as compared with 79.8 for the previous week.

Eleven gold stocks rose from 75.7 to 76.1, four gold copper stocks from 98.0 to 102.3 and five silver and miscellaneous stocks fell from 38.5 to 36.3.

McINTYRE'S MILL BEGINS ITS WORK IN PRESENT WEEK

New Plant Said to Be Finest in Use Anywhere

WILL REDUCE COSTS

Stock Currently Selling on Lowest Yield Basis of Any Gold Issue

The new 2,000-ton daily capacity mill of McIntyre-Porcupine Mines, said to be the finest gold plant of its kind in the world, starts operation this week.

The commencement of this new 2,000-ton mill, on the opposite side of Pearl Lake from the present 1,500-ton mill, inaugurates a new era for the company. In the 19 years since production commenced in 1912, there has been a steady growth in the tonnage treated. The total production to December 31, last, amounted to $45,061,196 in bullion.

That great things are expected of McIntyre in its new lease of life, is reflected in the stock market valuation. Current prices give a yield of less than 4½ per cent, the lowest of any of the larger, dividend-paying gold stocks.

Say Mill World's Finest

It has been said that McIntyre-Porcupine had the ambition to have the world's best equipped gold property. The new mill is a model in every respect. The new plant is more than a new mill—it includes a new shop, new dry houses and new stores departments. The new hoist, hoist house and head frame, completed a couple of years ago, are recognized as one of the largest and finest hoists in existence.

All the new buildings are fireproof construction. The frame work is steel with hollow tile wall construction and patent roofs. There is no combustible material within the mill, with minor exceptions. The whole plan indicates that officials expect the mine to have a life comparable with the surface plants.

To Use New Process

Within the mill the equipment is the finest the market affords. No expense has been spared that would promote for efficiency and durability. The class of equipment installed, with the usual necessary replacements, should survive 20 years of usefulness.

The most important feature of the new plant is that it will incorporate a new process on a big scale.

Briefly, the ore will be ground to a 60 mesh, instead of the usual 200 mesh, and flotation equipment will cast out 85 per cent of the rock. The balance, or 15 per cent, will then receive a fine grading to 200 mesh and will be treated in the usual cyanide process. Economies in grinding alone are quite apparent and other economies will be effected. In the first place, the mill is much smaller than an ordinary mill of this capacity. The heating, taxes and insurance are less. Officials have stated that economies from 40 to 50 cents per ton are expected.

The present tailings loss is about 51 cents per ton, nearly ten cents higher than normal, owing to the experimental 200-ton flotation plant having its product go in with the general mill treatment. The new mill will reduce this tailings loss from the previous average of around 40 cents.

Transportation Reduced

Another factor that goes into the present cost of operation is transportation of ore, men and supplies. With the new facilities, appreciable saving will be effected here, particularly in the transportation of the ore to the mill, which in the past has had to be transferred from the No. 11 shaft, across Pearl Lake to the old mill.

Costs are not available for the fiscal year ended March 31 last, but in the previous year total operating costs were $4.64 per ton, while write-offs and depreciation amounted to $1.66, a total of $6.30 per ton, against the recovery of $8.05 per ton.

The current fiscal year will have the benefit of about ten months' production from the new mill, assuming that tuning-up operations are completed and full milling capacity is in operation by June 1. It is fair to assume that, allowing for depreciation and reserve at last year's rate, total costs will not exceed $5.75 per ton. Recovery, which in 1930 amounted to $8.05 per ton, increased to approximately $8.30 per ton for the year ended March 31 last. However, millheads will doubtless decline with the introduction of greater milling capacity. The average decline will probably be 20 to 25 cents per ton, making the probable recovery by the new mill around $8.10 per ton.

On this basis a net profit of $2.35 per ton is indicated. With ten months operations of the new mill at 2,000 tons daily capacity, and two months operations of the present mill with 1,500 tons capacity, there is an indicated net profit of $1,590,000 for the current year. To this must be added approximately $100,000 as non-producing revenue, bringing the indicated net profit for the current year to $1,690,000, equivalent to approximately $2.15 on each of the 798,000 shares outstanding.

Next fiscal year, with full 12 months operations of the new mill, will show proportionately higher earnings. Net profits of $2.25 per share in that fiscal year, are regarded as probable.

Current dividend is $1 per share, payable quarterly, but with earnings over $2 per share and its immediate expansion programme completed, there is a belief that dividends will be increased.

PARKHILL MINES MILL PROGRESSES

Production Planned to Start by June 10—Initial Capacity 60 Tons

Parkhill Gold Mines is making good progress with the construction of its new mill in the Michipicoten area of Ontario.

Climatic conditions delayed the delivery of some of the equipment, but by May 31, it is expected all the machinery will be in place and connected. By June 10, officials state, the mill will be turned over and commercial production started.

The initial capacity of the plant is 60 tons of ore daily, provision has been made, however, for bringing the capacity to 150 tons by the addition of a tube mill.

An incline shaft has been sunk to a depth of 230 ft. and two levels established. In April shaft sinking operations were resumed and two more levels are to be opened up.

Officials believe the mill heads as indicated by channel and bulk sampling, will be approximately $20 per ton from the first two levels.

In blasting for the mill foundations west of the shaft, what is thought to be another vein was found with a width of slightly over three ft. Free gold is liberally disseminated in the quartz indicating a high grade shoot. From the strike and dip of this new outcrop it looks as if another parallel vein to the main break has been encountered. This, of course, will be explored from the first and second levels and may add considerably to the present indicated tonnage. Another outcrop has been located south of the creek which looks like a further parallel vein to the main break.

It is practically decided that there are two veins paralleling the main break. No. 2 is definitely located and has been drifted on from the second level for a distance of about 110 ft. giving a high grade of ore. The third vein has been located at only two points and the extent of it cannot be determined until more underground work has been done. The main break has been traced a further length of 600 ft. eastward making a continuous outcrop exposed, to date, of about 2,800 ft. in length. Less than one-half of this length has been explored by drifting on the first and second levels.

Trade Acme Rights on Standard Exchange

Acme Gas & Oil Co. rights may be traded in through the Standard Stock & Mining Exchange until the close of business May 19, and for cash on May 20. Rights expire on May 20 at three p.m. Board lots will be 500 rights and the ordinary commission will apply with a minimum of not less than 50 cents.

On April 20 shareholders approved of offering rights at 20 cents per shares, in a ratio of one new share for each three shares held.

Kingdon Lead Mines Curtails Production

Ontario's only operating lead property, The Kingdon Mining, Smelting and Manufacturing Co., at Galetta, has reduced its production to about 120 tons of ore daily, owing to depressed metal prices.

The capacity production of the company is about 600 tons daily. The curtailment will reduce the staff to about 100 employees.

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Every word and figure are revised from last year—complete information is given about each company in a compact, concise manner.

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DE FOREST CROS. EARNINGS EXCEED EVERY ESTIMATE

Profits $4.11 Each Common Share as Against $1.61 in 1929

IS STILL EXPANDING

Will Consider Dividend Increases Later if Sales Maintained on Present Levels

Net earnings of De Forest Crosley Radio Co. in the year ended March 31, 1931, were $682,655 as compared with $239,995 in the preceding year. Net profit after income tax provision of $631,554 was equivalent to $4.11 a share on 140,368 no par value common shares outstanding as against $223,994, or $1.61 a share on 139,168 no par value common share outstanding, in the year ended March 31, 1930. If one deducts as well $15,000 established as a reserve for contingencies and $136,932 written off goodwill, licenses, trademarks and contracts, there still remains $425,622, equivalent to $3.03 a share on common stock in the year ending March 31, 1931.

As the dividend rate has been 80 cents a share, the exceptionally fine showing in the last fiscal year has led the company to declare an extra 20 cents a share, payable June 1 to shareholders of record May 15. The president, James E. Hahn, stated at the annual meeting on May 11 in Toronto that if Canadian conditions in general improve and the earnings continue around the present level, the directors will later give attention to the matter of an increase in the dividend rate. The results achieved in the year under review were obtained on a 25 per cent increase in sales. It is stated that less than 2 per cent of the company's common stock is held outside Canada.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT

	Year ended Mar. 31 1931 $	15 Mos. ended Mar. 31 1930 $	Year ended Dec. 31 1928 $
Net earnings† ...	628,655	239,995	193,859
Less:			
Prov. for inc. tax	51,101	16,001	16,391
Net profit	577,554	223,994	177,468
Conting. reserve..	15,000	......	......
Dividends	111,794	......	......
W/o goodwill, etc.	136,932	......	......
	313,828	223,994	177,468
Add:			
Profit from sale of sec.	......	......	17,946
Prev. surplus ..	419,408	195,414	......
Bal. forward	733,236	419,408	195,414

†After providing for all manufacturing costs, including depreciation, and for selling and administration expenses.

WORKING CAPITAL

	1931 $	1930 $	1929 $
Current assets ...	1,190,404	656,109	602,304
Current liabilities	231,381	108,386	179,058
Working capital..	959,023	547,723	423,246
Ratio	5.14—1	6.06—1	3.36—1

Gained When Others Lost

In a period when the majority of industrial companies are showing reduced earnings, gratification was expressed by shareholders that this company was able to earn two and a half times the earnings of the preceding year. Moreover, the president considered the outlook for the current year encouraging although dividend increases are to be made very conservatively in view of the company's extensive diversification programme and the general condition of business.

During the year, the company incorporated the Norge Corp. of Canada to manufacture electrical refrigerators and the Hammond Co. of Canada to manufacture synchronous electric clocks. The Universal Acceptance Corp. was also organized to handle retail contracts taken by dealers for consumer purchases. In view of this it was deemed advisable to change the name of the company in order to indicate more fully the widened and future operations of the De Forest Crosley organization.

Net current assets of $1,190,405 were 5.15 times current liabilities of $231,382 on March 31, 1931, whereas a year earlier current assets of $565,109 were 6.05 times current liabilities of $108,386. Working capital therefore increased during the year from $547,723 to $959,023.

Cash is Strong

Cash alone advanced during the year from $130,656 to $597,445, the latter item including $245,276 bank borrowings for the purpose of Universal Acceptance Corp. Deducting the latter item leaves net cash of $352,169. Accounts receivable at $323,190 shows only a slight advance and inventories at $197,785 compares with $165,594 on March 31, 1930. Notes and contracts receivable at $317,260 may be compared with $91,472 customers paper under discount at the end of the preceding fiscal period.

Accounts payable increased during the year from $90,386 to $161,382 and reserve for income tax went up from $18,000 to $70,000, the latter item in the last fiscal period including $15,000 reserve for contingencies.

Plant and equipment after depreciation advanced from $150,518 to $243,671 and goodwill, licenses, trademarks and contracts dropped from $536,932 to $400,000 as the company considered this exceptionally prosperous year a good time to write down the total.

Will Change Its Name

Ratification was given by the shareholders to the change in name of the company to Consolidated Industries, Ltd. The latter company will own all the capital stock of the following constituent companies:

De Forest Radio Corp., the manufacturing company of radios and radio accessories;

De Forest Crosley, the sales company for De Forest Radio Corp.;

Norge Corp. of Canada, which is manufacturing electrical refrigerators;

Consolidated Industries Products, which will be the selling company for the Norge Corp.;

Hammond Co. of Canada, which is manufacturing synchronous electric clocks;

Universal Acceptance Corp., which company discounts consumer contracts covering the products sold by the constituent companies to the dealer;

Consolidated Industries Export, which will merchandise the products of all the constituent companies in foreign markets.

Major Hahn stated that all the companies were well organized and operating. The Hammond Co. was having great success in production and sales and Norge Corp., though only a few weeks old, had made great strides in its own organization as well as in sales of Norge electric refrigerators.

Dodge Manufacturing Defers "A" Dividend

Dodge Manufacturing Co. has decided to defer the quarterly dividend of 50 cents a share due May 1, 1931, on the Class "A" $2 cumulative no par value preferred stock.

This action by Dodge Manufacturing Co., which manufactures power transmission machinery, elevating and conveying equipment and materials handling equipment for use in industrial plants, mines, flour mills and terminal elevators, was not unexpected. At the annual meeting on March 18, T. A. McAuley, president, stated that in the first seven months of the fiscal year ending January 31, 1931, the company had seen normal business, but that later there was a sharp falling off accompanied by severe competition which brought prices down to a point where there was a very small margin of profit. Gross sales were larger but profits were lower. Working capital was adequate.

JOHN MORROW CO. OFFERS EXCHANGE AT GOOD YIELD

Bondholders Can Get Cash or Preferred and Common

Bondholders of John Morrow Nut & Screw Co., Ingersoll, Ont., have the alternative of accepting cash or preferred stock with a bonus of common, on redemption of the issue of June 1.

At November 30 last, there were only $426,000 of the bonds outstanding out of an original issue of $1,000,000, the balance having been redeemed by sinking fund and purchase in the intervening years. It is planned to issue only enough preferred stock to take care of bondholders who accept the conversion offer and the new preferred will be the first charge on assets and earnings.

Offered Common Bonus.

The exchange offer is for each $100 par value of bonds, one share of 7 per cent cumulative preferred of $100 par value plus two shares of common stock with every ten shares of preferred. Those who do not wish the common stock are given the alternative of paying $95 for the preferred alone and adjustments of common fractions are being made on the basis of $25 per share for the common.

Common stock at present is on a dividend basis of $1.60 per year. Thus the holder of a $1,000 bond who accepts the exchange will have an annual income of $70 from the preferred and $3.20 from the common, or 7.3 per cent on his capital. The maturing bonds have borne 6 per cent interest.

Dividend Record Excellent

The Morrow company has had an excellent dividend record over the past 52 years. Holders of common stock during the past 30 years, have thrice received 100 per cent stock bonuses. In December last, the common was split three for one.

Col. F. H. Deacon, Toronto, is president, and E. A. Wilson is vice-president and general manager. The Morrow company, jointly with the Ingersoll Machine and Tool Co., of which Mr. Wilson is president, last month bought the London Rolling Mills Co., which will continue to operate under its present name.

It is understood that the majority of the bondholders already have accepted the conversion offer.

SPILLERS PROFIT HIGHER FOR 1931

British Millers' Report Shows More Satisfactory Results For Year

Spillers, Ltd., English milling firm which owns Spillers Canadian Milling Co., Calgary, in year ended January 31, 1931, earned £413,593, before bond interest, directors' fees and depreciation, compared with a loss of £170,344 in the previous year. The net available for preferred and common dividends was £272,444, compared with a loss of £221,510 in the previous year, although for the earlier period there was no appropriation for depreciation. A 10 per cent dividend was announced.

The report contains no reference to the situation of Spillers Canadian Co., beyond a remark that certain subsidiary companies had shown unsatisfactory results. Canadian investment interest was in the second preferred stock, issued when Alberta Flour Mills was bought by Spillers. A mortgage against the mill, one of the newest in Canada, was foreclosed last year. The parent company held these bonds.

Following is the profit and loss account for the last three years:

PROFIT AND LOSS ACCOUNT
Years Ending Jan. 31

	1931 £	1930 £	1929 £
Profit	413,593	*170,344	176,668
Less:			
Int. on S. F. notes	20,238	30,666	......
Directors' fees ..	20,911	20,500	......
Deprec. reserve .	100,000	......	......
	272,444	†221,510	176,668
Pref. div. paid	53,151	54,865	64,865
Divs. payable	......	......	109,366
Surplus for year ..	219,293	†276,375	12,437
Prev. surplus	56,597	182,973	170,536
Transfer from res.	......	150,000	......
Bal. carr. for'd ...	275,890	56,598	182,973

*Loss.
†Debit.

B. C. Liquor Board Buys Beer More Cheaply

New beer prices fixed by the provincial board after prolonged negotiations with the brewers are the lowest of any province operating under the same system as British Columbia. The price to B. C. breweries under the new arrangement will be reduced from $18.50 a barrel to $17 for draught beer and from $16.50 to $15.25 a barrel for bottled beer. The reduction will not be passed along to consumers, but will go to swell the liquor board's revenues by approximately $320,000 annually.

Beer also will be imported from Eastern Canada.

Incidentally the liquor board plans to deal direct with breweries and the old Pacific Brewers' Agents Ltd., central selling organization for the beer interests under the old system, has been abolished.

Makes Map of Saint John

The civic division of the Saint John Board of Trade is preparing a map of the city showing its available industrial sites, each site being numbered and under the number the data on each site, filed ready for reference.

CONS. SMELTERS WILL PAY BONUS IN STOCK DIVIDEND

Conservation of Cash Regarded as Sound Move

From Our Own Correspondent

MONTREAL.—Decision of the directors of Consolidated Mining & Smelting Co. of Canada to pay the regular dividend in cash and the bonus in stock, follows along the lines intimated in The Financial Post last week.

At the annual meeting of the company, J. J. Warren, president, remarked that operations during the first quarter of the year were satisfactory, with production being well maintained. At the end of this period, unsold zinc stocks were about the same as at the end of the year. Unsold lead stocks were substantially less.

Curtail Lead Output

Considerable time was devoted by Mr. Warren to a discussion of the new International lead cartel, under which producers, other than those in the United States, agreed to cut production 15 per cent beginning May 1. It is said that this movement should bring output below world consumption and permit the gradual reduction of accumulated stock. Thereupon the price should become stabilized at a higher level than has prevailed recently. Negotiations are proceeding among zinc producers to bring about a similar reduction in the output of that metal.

Policy of Lower Costs

Referring to general operations and outlook for the company, Mr. Warren said:

"While the production of both lead and zinc has already declined, world consumption has been, and still is, disappointing.

"Sooner or later the tide will turn. Meantime your policy is to reduce costs and restrict expenditures as much as possible to operating needs.

"Undoubtedly 1930 was a lean year—and 1931 may be another one—but surveying the results of the five-year period ending December 31, 1930, shareholders need not be discouraged.

"In 1926 gross profits were $16,883,000; in 1927 they were $16,206,000; in 1928, they were $13,536,000; in 1929, they were $14,474,000 and in 1930 they were $7,424,000—an average of $13,704,600 a year.

"If 1928 prices had prevailed in 1930, gross profits would have been in excess of $20,000,000. A variation of only 1 cent a pound over the year affects profits $6,000,000.

Sell Fertilizer Output

"You will be glad to know that the entire output of your fertilizer phosphate plant has been sold, and nearly all to farmers on the Canadian prairies. The majority of the purchasers made the usual cash payments. In addition, they all had to equip themselves with combination drills to distribute the product, at a cost of from $250 to $300 a drill. The generous co-operation of the Massey-Harris Co. was a great help.

"While conditions are temporarily none too good in the Middle West, your selling representatives report that the Western farmer has not lost his morale; he is showing the grit and determination that have always characterized his efforts.

"Fertilizer sales have begun to be made in the Orient, where there is a very large consumption of the synthetic product.

"At the same time it seems probable that the bulk of your output will ultimately find a ready market on the Canadian prairie, where early maturity and low cost per bushel are most vital.

Buy New Claims

"Since the close of the year, the North Star group of claims adjoining the Sullivan properties at Kimberley, British Columbia, has been acquired—thus rounding off your holdings in that camp.

Set Dividend Policy

"Your directors have given consideration to the dividend policy. They have decided to pay in cash the usual dividend of 5 per cent. For the first half of 1931, but in view of general conditions they think it prudent to conserve the cash position by paying the usual half-yearly bonus of $5 a share through allotting one fully-paid share of stock for each twenty shares held.

Make Annual Statement

"Owing to the impossibility of making a really accurate estimate of earnings at the end of the half year, your directors have decided to revert to the old policy of presenting a full statement annually."

DOM. GLASS SALES REFLECT CONDITIONS

Distillers' Demands Lower Due to Export Market

From Our Own Correspondent

MONTREAL.—Operations of Dominion Glass Co. can be considered relatively satisfactory it is stated, though sales are naturally affected by the general contraction in business. Demands of the distillers are understood to be on a lower scale than was a year ago due to conditions in the export market.

Whether earnings are sufficient to cover dividend requirements on common stock at the present time has not been disclosed. In the last fiscal year which closed September 30, 1930, earnings were equal, after all deductions, to $7.64 a share on the common as opposed to current disbursements of 7 per cent.

Shares Holding Well

The shares are steady in trading on the Montreal Stock Exchange in the region of 110 at which price they return 6.36 per cent. The company's sound financial position and its surplus of $1,455,690 evidently are factors which tend to stabilize share values.

Common dividend requirements only total $297,500 annually while the senior charges comprise $182,000 for preferred dividends and bond interest in 1930 amounted to $42,189. The bonds, which mature in 1933 are outstanding to the extent of $621,800.

Newfoundland Whaling Abandons 1931 Fishery

The Newfoundland Whaling Co. has decided to abandon the whale fishery this year due to the abnormal catch of whales in the Antarctic and the falling off in the demand for whale oil and consequently lower prices. This means that this company's whale factories, two of which are on the Labrador coast and one at Rose au Rue, Placentia Bay, will be closed. Some 200 Newfoundlanders and a few Norwegians have been given notice their services will not be required. The company operates six whalers and one mother and supply ship.

Whale oil and seal oil are used in the manufacture of luxury products very extensively. Among these are high-priced soaps, perfumery, etc. The enormous quantity of whale oil in storage has had a very bad effect on the price of seal oil, the former oil finding its way into the seal oil markets.

MUIRHEADS EARNED 12 CTS. ON COMMON

Improvement in Operations Tripled Earnings in Last Half

Net earnings of Muirheads Cafeterias in the fiscal year ended February 28, 1931, amounted to $45,575, as compared with $50,330 in the previous year. After depreciation of $30,000 and preferred dividends of $6,055 the common shares earned 12 cents. One common dividend of $7,871 was paid and after an adjustment of $933, the company earned a surplus for the year of $716 as compared with a deficit of $31,185 in the year ended February 28, 1930.

That the result for the past year does not fully reflect operating economies effected and an increased patronage is indicated by the statement that net earnings for the last six months of the year amounted to $34,866 as compared with $10,709 in the first half of the year. The declaration of a 10 cent dividend on the 78,710 common shares of no par value which was paid on March 1, 1931, would also indicate that the directors felt that operations were on an improved basis.

Current Position Better

Current assets have been increased to $109,046 from $96,388 at the end of the previous year while current liabilities have been reduced to $35,680 from $53,422. The net result is a working capital of $73,367 as compared with $42,965 the previous year. Cash has been increased to $47,997 from $21,742 while inventories are some $3,300 lower at $13,386. Investments are down to $32,320 from $38,750. Prepaid tax receipt of $8,000 and prepaid expenses and accrued revenues of $7,344 complete the items shown under current assets. Building improvements, restaurant plant and equipment are carried at $349,683, after reserve for depreciation of $76,500. Leases, trade name and goodwill are carried at $150,000 and bring the total of assets to $608,729 which compares with $628,116 in 1930.

Accounts payable have been reduced to $18,174 from $29,841 and accrued expenses and prepaid revenue are down to $7,635 from $11,529. Dividends, payable March 1, amounted to $9,870. The company met the requirements for the redemption of preferred stock of which 7,995 shares of $10 par value were outstanding as compared with 8,231 shares the previous year. Common shares outstanding remain the same at 78,710 shares carried at $480,205 while surplus amounted to $12,894.

The income and surplus account of the company for the past three fiscal years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Feb. 28

	1931 $	1930 $	1929 $
Net earnings	45,575	50,330	70,347
Less: Depreciation.	30,000	30,000	24,000
Organ. exps. w/o	......	3,000	3,000
Prov. for taxes ..	......	......	3,531
Net profit	15,575	17,330	39,816
Less appropriations:			
Pref. divds.	6,055	6,261	6,709
Com. divds.	7,871	23,613	31,416
Prem. on stk. red.	......	......	310
Bal. organ. exp. w/o	......	5,050	......
Bal. def. raps. w/o..	......	6,200	......
H. O. lease w/o ...	......	6,358	......
Misc. adjust.	933	1,033	......
Surplus for year ..	716	†31,185	1,381
Add: Prev. surplus	12,179	40,592	39,163
Inc. tax adjust..	......	2,772	48
Bal. carr. for'd ...	12,895	12,179	40,592

†Deficit.

Heads New Firm

W. T. K. COLLIER, formerly with Wood, Gundy & Co., who is senior partner of the new Montreal investment firm of Collier, Norris & Henderson.

GYPSUM'S SALES CLOSE TO NORMAL SAYS PRESIDENT

Export Business Reported on Satisfactory Basis

From Our Own Correspondent

MONTREAL. — Spring, with its attendant activity in construction work is keeping sales of Gypsum, Lime and Alabastine, Canada, close to normal, R. E. Haire, president of the company, told shareholders at the annual meeting. The meeting was chiefly routine in character and directors were re-elected for the current year.

Export business was stated to be satisfactory. The company has taken aggressive steps to further its operations in this market and though export sales last year were lower the foundation for a growing business has been laid.

An indication of this is seen in a recent order for export shipment. This particular account took 300,000 square feet of gypsum board in 1930; this year the same account is asking for 1,800,000 square feet.

Earnings Lower Last Year

Earnings of Gypsum, Lime showed a sharp contraction last year, and after provision for bond interest, depreciation and other charges, net profits fell below dividends paid during the year by $285,939. Earnings on the 450,876 common shares were 68 cents as compared with a disbursement of $1.32½ a share.

The regular rate was $1.50 a share. This payment was reduced in January, 1931, to the current basis of 80 cents a share. After deduction of last year's deficit the company brought forward a surplus of $244,094. Working capital position, however, was strong, totalling $1,614,303, with a ratio of 4.80 to 1 between current assets and current liabilities.

Gypsum, Lime carried out further expansion in 1930, which did not find full reflection in profits for that period. The company acquired full control of Crystalite Products, of Hamilton, manufacturers of interior and exterior stuccos, and a controlling interest in Dominion Stucco Co., of Winnipeg, was purchased.

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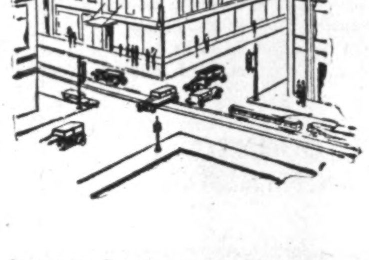

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167